importing into the UNITED STATES

(formerly *Exporting to the United States*)

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DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

Washington, D.C. 20229

JUNE 1986

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(formerly *Exporting to the United States*)

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

Washington, D.C. 20229

JUNE 1986

foreword

The volume and complexity of imports into this country require that certain procedures be followed. Importers in the United States must have the cooperation of the foreign exporters in order to follow these necessary procedures. In addition, there are some requirements, such as those relating to marketing and preparation of invoices, which must be met by the exporter. This booklet outlines these procedures. Exporters and American importers of commodities that are subject to quota limitations are particularly advised to keep informed with respect to applicable quotas.

Persons in other countries who need authoritative information on a particular customs question may (1) consult a U.S. Customs attaché or representative or the nearest American consulate, (2) ask their customer or representative in the United States to get an official answer, or (3) write to the District Director of Customs at any district port in the United States or to the Commissioner of Customs.

While every effort has been made to indicate the essential requirements, obviously, all of the U.S. Customs laws and regulations cannot be covered in full in this booklet, nor does this booklet supersede or modify any provision of these laws and regulations. Legislative and administrative changes are always under consideration, and changes in the applicable laws and regulations can occur at any time.

The Trade and Tariff Act of 1984, enacted in November 1984, introduced significant changes in Customs rules, regulations and procedures impacting on the importing community. These are indicated by **bold-face type** in the text.

Additionally, on January 1, 1988, the United States may adopt a new customs tariff based on the Harmonized Commodity Description and Coding System (HS), a multipurpose international goods classification system to be used by the trading community in classifying goods moving in international trade under a single commodity code.

When and if international negotiations are concluded satisfactorily, and Congress and the President approve, the Harmonized System will replace the current Tariff Schedules of the United States (TSUS).

Subsequent editions of this publication will, of course, reflect this change. In the meantime, a new pamphlet entitled "HS: Harmonized Commodity Description and Coding System" is available. For a copy see your nearest Customs Service Office or write P.O. Box 7407, Washington, D.C. 20004.

As additional changes may be forthcoming following publication of this booklet, we urge you to consult your nearest Customs District Office for further details.

June 1986

U.S. Commissioner of Customs

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1 customs organization

Mission

The major responsibility of the U.S. Customs Service is to administer the Tariff Act of 1930, as amended. Primary duties include the assessment and collection of all duties, taxes, and fees on imported merchandise, the enforcement of customs and related laws, and the administration of certain navigation laws and treaties. As a major enforcement organization, the Customs Service combats smuggling and frauds on the revenue and enforces the regulations of numerous other Federal agencies at ports of entry and along the land and sea borders of the United States.

Organization

The customs territory of the United States consists of the 50 states, the District of Columbia, and Puerto Rico. The Customs Service, an agency under the Department of the Treasury, has its headquarters in Washington, D.C., and is headed by a Commissioner of Customs. The field organization consists of seven geographical regions further divided into districts with ports of entry within each district. These organizational elements are headed respectively by regional commissioners, district directors (or area directors in the case of the New York region), and port directors. The Customs Service is also responsible for administering the customs laws of the Virgin Islands of the United States.

Both an alphabetical list of all ports by State and a list of districts by region (including postal ZIP code) are provided. Whenever it is suggested that you write to the district or port director for information, the director referred to is the one at the district or port where your goods will be entered.

Ports of Entry by State
(Including Puerto Rico and the U.S. Virgin Islands)

Key:
Districts shown in boldface
• Regional Headquarters

ALABAMA
Birmingham
Huntsville
Mobile

ALASKA
Alcan
Anchorage
Dalton Cache
Fairbanks
Juneau
Ketchikan
Sitka
Skagway
Valdez
Wrangell

ARIZONA
Douglas
Lukeville
Naco
Nogales
Phoenix
San Luis
Sasabe

ARKANSAS
Little Rock-N. Little Rock

CALIFORNIA
Andrade
Calexico
Eureka
Fresno
• **Los Angeles—Long Beach**
Port San Luis
San Diego
San Francisco-Oakland
Tecate
San Ysidro

COLORADO
Denver

CONNECTICUT
Bridgeport
Hartford
New Haven
New London

DELAWARE
Wilmington
(see Philadelphia)

DISTRICT OF COLUMBIA
Washington

FLORIDA
Apalachicola
Boca Grande
Carrabelle
Fernandina Beach
Jacksonville
Key West
• **Miami**
Orlando
Panama City
Pensacola
Port Canaveral
Port Everglades
Port St. Joe
St. Petersburg
Tampa
West Palm Beach

GEORGIA
Atlanta
Brunswick
Savannah

HAWAII
Honolulu
Hilo
Kahului
Nawiliwili-Port Allen

IDAHO
Eastport
Porthill
Boise

ILLINOIS
• **Chicago**
Peoria
Rock Island-Moline*
(see Davenport)

INDIANA
Evansville/Owensboro, Ky.
Indianapolis
Lawrenceburg/Cincinnati, Ohio

IOWA
Davenport-Rock Island-Moline*
Des Moines

KANSAS
Wichita

KENTUCKY
Louisville
Owensboro/Evansville, Ind.

LOUISIANA
Baton Rouge
Gramercy
Lake Charles
Morgan City
• **New Orleans**
Shreveport/Bossier City*

MAINE
Bangor
Bar Harbor
Bath
Belfast
Bridgewater
Calais
Eastport
Fort Fairfield
Fort Kent
Houlton
Jackman
Jonesport
Limestone
Madawaska
Portland
Rockland
Van Buren
Vanceboro

MARYLAND
Annapolis
Baltimore
Cambridge

MASSACHUSETTS
• **Boston**
Fall River
Gloucester
Lawrence
New Bedford
Plymouth
Salem
Springfield
Worcester

MICHIGAN
Battle Creek
Detroit
Grand Rapids
Muskegon
Port Huron
Saginaw-Bay City/Flint
Sault Ste. Marie

MINNESOTA
Baudette
Duluth and Superior, Wis.
Grand Portage
International Falls-Ranier
Minneapolis-St. Paul
Noyes
Pinecreek
Roseau
Warroad

MISSISSIPPI
Greenville
Gulfport
Pascagoula
Vicksburg

MISSOURI
Kansas City
St. Joseph
St. Louis
Springfield
(Temporary)

MONTANA
Butte
Del Bonita
Great Falls
Morgan
Opheim
Piegan
Raymond
Roosville
Scobey
Sweetgrass
Turner
Whitetail
Whitlash

NEBRASKA
Omaha

NEVADA
Las Vegas
Reno

NEW HAMPSHIRE
Portsmouth

NEW JERSEY
Perth Amboy (See New York/Newark)

NEW MEXICO
Albuquerque
Columbus

NEW YORK
Albany
Alexandria Bay
Buffalo-Niagara Falls
Cape Vincent
Champlain-Rouses Point
Chateaugay
Clayton
Fort Covington
Massena
• **New York**
Kennedy Airport Area
Newark Area
New York Seaport Area
Ogdensburg
Oswego
Rochester
Sodus Point
Syracuse
Trout River
Utica

NORTH CAROLINA
Beaufort-Morehead City
Charlotte
Durham
Reidsville
Wilmington
Winston-Salem

NORTH DAKOTA
Ambrose
Antler
Carbury
Dunseith
Fortuna
Hannah
Hansboro
Maida
Neche
Noonan
Northgate
Pembina
Portal
Sarles
Sherwood
St. John
Walhalla
Westhope

OHIO
Akron
Ashtabula/Conneaut
Cincinnati/Lawrenceburg, Ind.
Cleveland
Columbus
Dayton
Toledo/Sandusky

OKLAHOMA
Oklahoma City
Tulsa

OREGON
Coos Bay
Newport
Portland*

PENNSYLVANIA
Chester (see Phila.)
Erie
Harrisburg
Philadelphia/Chester/Wilmington
Pittsburg
Wilkes-Barre/Scranton

PUERTO RICO
Aguadilla
Fajardo
Guanica
Humacao
Jobos
Mayaguez
Ponce
San Juan

RHODE ISLAND
Newport
Providence

SOUTH CAROLINA
Charleston
Georgetown
Greenville—Spartanburg

TENNESSEE
Chattanooga
Knoxville
Memphis
Nashville

TEXAS
Amarillo
Austin
Beaumont*
Brownsville
Corpus Christi
Dallas/Ft. Worth
Del Rio
Eagle Pass
El Paso
Fabens
Freeport
Hidalgo
• **Houston/Galveston**
Laredo
Lubbock
Orange*
Port Arthur*
Port Lavaca-Point Comfort
Presidio
Progreso
Rio Grande City
Roma
Sabine*
San Antonio

UTAH
Salt Lake City

VERMONT
Beecher Falls
Burlington
Derby Line
Highgate Springs/Alburg
Norton
Richford
St. Albans

VIRGIN ISLANDS
Charlotte Amalie, St. Thomas
Christiansted
Coral Bay
Cruz Bay
Frederiksted

VIRGINIA
Alexandria
Cape Charles City
Norfolk-Newport News
Reedville
Richmond-Petersburg

WASHINGTON
Aberdeen
Anacortes*
Bellingham*
Blaine
Boundary
Danville
Everett*
Ferry
Friday Harbor*
Frontier
Laurier
Longview*
Lynden
Metaline Falls
Neah Bay*
Nighthawk
Olympia*
Oroville
Point Roberts
Port Angeles*
Port Townsend*
Seattle*
Spokane
Sumas
Tacoma*

WEST VIRGINIA
Charleston

WISCONSIN
Ashland
Green Bay
Manitowoc
Marinette
Milwaukee
Racine
Sheboygan

*Consolidated Ports:
Columbia River port of entry includes Longview, Washington, and Portland Oregon.
Beaumont, Orange, Port Arthur, Sabine port of entry includes ports of the same name.
Port of Puget Sound includes Tacoma, Seattle, Port Angeles, Port Townsend, Neah Bay, Friday Harbor, Everett, Bellingham, Anacortes, and Olympia in the State of Washington.
Port of Philadelphia includes Wilmington and Chester.
Port of Rock Island includes Moline and Davenport, Iowa.
Port of Shreveport includes Bossier City, La.

Designated User-fee Airports: Allentown-Bethlehem-Easton, PA, Fargo, ND, Lebanon, NH, Santa Teresa, NM, Wilmington, OH, and Southwest Florida Regional Airport, Fort Myers, FL.

Customs Regions and Districts

Headquarters
U.S. Customs Service
1301 Constitution Ave., N.W.
Washington, D.C. 20229

Northeast Region—
Boston, Mass. 02110
Districts:
Portland, Maine 04112
St. Albans, Vt. 05478
Boston, Mass. 02109
Providence, R.I. 02903
Buffalo, N.Y. 14202
Ogdensburg, N.Y. 13669
Bridgeport, Conn. 06601
Philadelphia, Pa. 19106
Baltimore, Md. 21202
Norfolk, Va. 23510
Washington, D.C. 20041

New York Region—
New York, N.Y. 10048
New York Seaport Area
New York, N.Y. 10048
Kennedy Airport Area
Jamaica, N.Y. 11430
Newark Area
Newark, N.J. 07114

Southeast Region—
Miami, Fla. 33131
Districts:
Wilmington, N.C. 28401
San Juan, P.R. 00903
Charleston, S.C. 29402
Savannah, Ga. 31401
Tampa, Fla. 33602
Miami, Fla. 33131
St. Thomas, V.I. 00801

South Central Region—
New Orleans, La. 70130
Districts:
Mobile, Ala. 36601
New Orleans, La. 70130

Southwest Region—
Houston, Tex. 77057
Districts:
Port Arthur, Tex. 77642
Houston/Galeveston, Tex. 77052
Laredo, Tex. 78041-3130
El Paso, Tex. 79985
Dallas/Fort Worth, Tex. 75261

Pacific Region—
Los Angeles, Calif. 90012
Districts:
Nogales, Ariz. 85621
San Diego, Calif. 92189
Los Angeles/Long Beach, Calif. 90731
San Francisco, Calif. 94126
Honolulu, Hawaii 96806
Portland, Oreg. 97209
Seattle, Wash. 98174
Anchorage, Alaska 90501
Great Falls, Mont. 59401

North Central Region—
Chicago, Ill. 60605-5790
Districts:
Chicago, Ill. 60607
Pembina, N. Dak. 58271
Minneapolis-St. Paul, Minn. 55401
Duluth, Minn. 55802
Milwaukee, Wis. 53202
Cleveland, Ohio 44114
St. Louis, Mo. 63105
Detroit, Mich. 48226-2568

U.S. Customs Officers in Foreign Countries

Austria
Customs Attaché
American Embassy
Boltzmanngasse 16, A-1091
Vienna
Tel: 315-5511

Belgium
Customs Attaché
U.S. Mission to the European Communities (USEC)
No. 40 Blvd. du Regent
1000 Brussels
Tel: 513-4450 Ext. 2779

Brazil
Customs Attaché
American Embassy
Avenida Das Nocoes, Lote 3
Brasilia
Tel: 223-0120

Canada
Customs Attaché
American Embassy
95 Sparks St.
Suite 1130
Ottawa, Ontario K1P5T1
Tel: (613) 238-5335 X 322

England
Customs Attaché
American Embassy
24/31 Grosvenor Square
London, W. 1
Tel: 1/493-4599

France
Customs Attaché
American Embassy
58 bis Rue la Boetie
Room 210
75008 Paris
Tel: 296-1202 Ext. 2392/2393

Hong Kong, B.B.C.
Senior Customs Representative
American Consulate General
St. John's Building-11th Floor
33 Garden Road
Tel: 5-239011 Ext. 244

Italy
Customs Attaché
American Embassy
Via V. Veneto 119
Rome
Tel: 6/4674 Ext. 475 or 413

Japan
Customs Attaché
American Embassy
Minato-Ku Akasaka 1-chome
13 go, No. 14
Tokyo
Tel: 583-7141 Ext. 7205

Korea
Customs Attaché
82 SeJong Ro
Chongro-Ku
Seoul
Tel: 732-2601 Ext. 4563

Mexico
Customs Attaché
American Embassy
Paseo de la Reforma 305
Colonia Cuahtemoc
Mexico, D.F., Mexico
Tel: (905) 211-0042 Ext. 3687

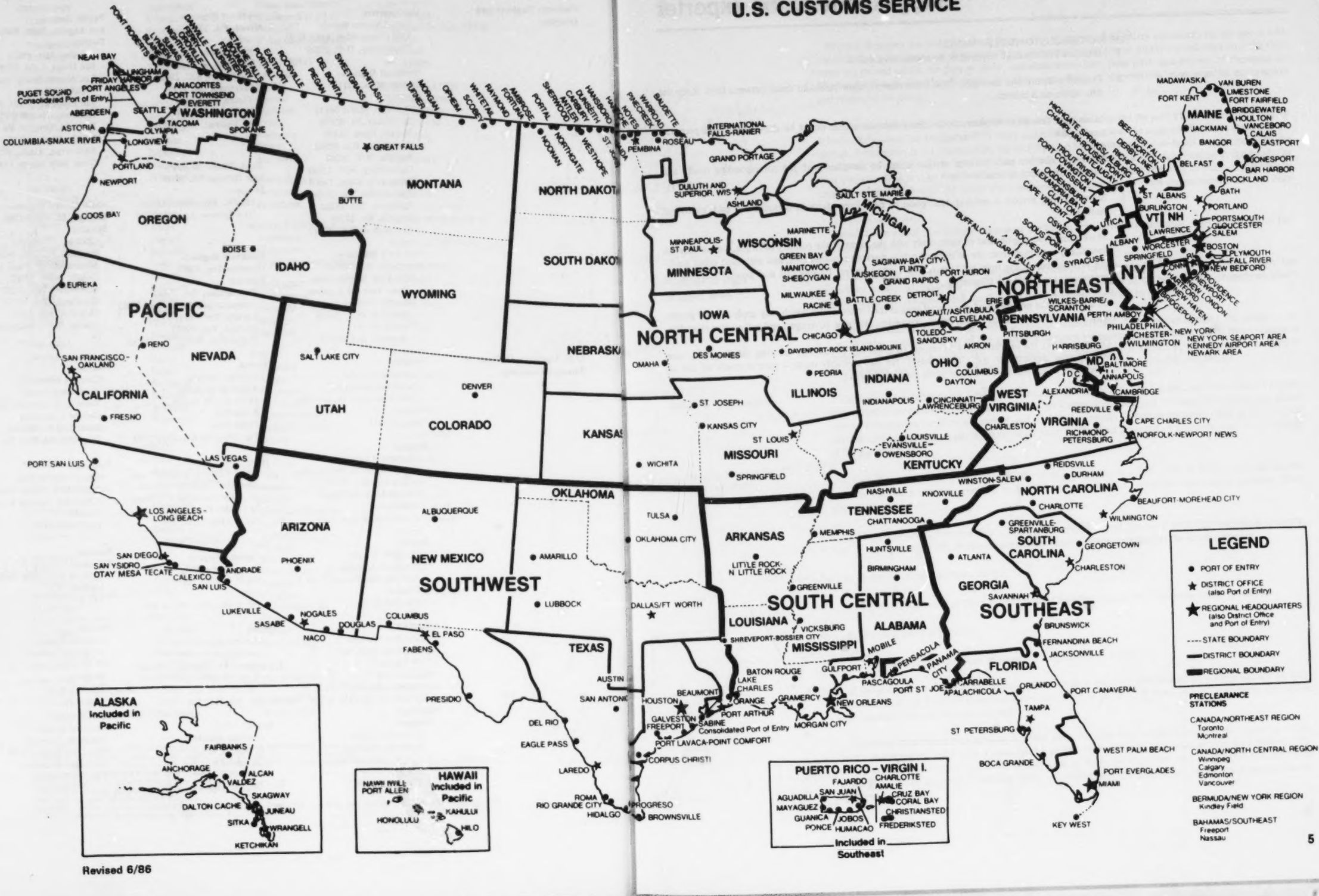
Pakistan
Senior Customs Rep.
American Consulate General
8 Abdullah Haroon Road
Karachi
Tel: 51-50-81

Panama
Customs Attaché
Calle 38 & Avenida Balboa
Panama, R.P.
Tel: 271777

Thailand
Customs Attaché
American Embassy
95 Wireless Road
Bangkok
Tel: 252-5040

West Germany
Customs Attaché
American Embassy
Mahlemer Avenue 5300
Bonn-Bad Godesberg
Tel: 228/3392207
228/3312853

U.S. CUSTOMS SERVICE



Revised 6/86

FOR FASTER CUSTOMS CLEARANCE:

1 Include all information required on your customs invoices.

2 Prepare your invoices carefully. Type them clearly. Allow sufficient space between lines. Keep the data within each column.

3 Make sure that your invoices contain the information that would be shown on a well-prepared packing list.

4 Mark and number each package so that it can be identified with the corresponding marks and numbers appearing on your invoice.

5 Show on your invoice a detailed description of each item of goods contained in each individual package.

6 Mark your goods legibly and conspicuously with the name of the country of origin, unless they are specifically exempted from the country of origin marking requirements, and with such other marking as required by the marking laws of the United States. Exemptions and general marking requirements are detailed in chapter 22.

7 Comply with the provisions of any special laws of the United States which may apply to your goods, such as the laws relating to foods, drugs, cosmetics, alcoholic beverages, and radioactive materials.

8 Observe closely the instructions with respect to invoicing, packaging, marking, labeling, etc., sent you by your customer in the United States. He has probably made a careful check of the requirements which will have to be met when your goods arrive.

2 entry process

When a shipment reaches the United States, the consignee will file entry documents for the goods with the district or port director at the port of entry. Imported goods are not legally entered until after the shipment has arrived within the port of entry, estimated duties have been paid, and delivery of the merchandise has been authorized by Customs. It is the responsibility of the importer to arrange for examination and release of the goods.

Goods may be entered for consumption, entered for warehouse at the port of arrival, or they may be transported in-bond to another port of entry and entered there under the same conditions as at the port of arrival. Arrangements for transporting the merchandise to an interior port in-bond may be made by the consignee, by a customhouse broker, or by any other person having a sufficient interest in the goods for that purpose. *Unless your merchandise arrives directly at the port where you wish to enter it, you may be charged additional fees by the carrier for transportation to that port if other arrangements have not been made.*

Goods to be placed in a foreign-trade zone are not entered at the customhouse. See Chapter 30 for further information.

Evidence of Right to Make Entry

Goods may be entered only by the owner, purchaser, or a licensed customhouse broker. When the goods are consigned "to order," they may be entered by the holder of the bill of lading properly endorsed by the consignor. An airway bill may be used for merchandise arriving by air.

In most instances, entry is made by a person or firm certified by the carrier bringing the goods to the port of entry to be the owner of the goods for customs purposes. The document issued by the carrier is known as a "Carrier's Certificate." An example of the format is shown in the appendix. In certain circumstances, entry may be made by means of a duplicate bill of lading or a shipping receipt.

Entry for Consumption

The entry of merchandise is a two-part process consisting of (1) filing the documents necessary to determine whether merchandise may be released from Customs custody and (2) filing the documents which contain information for duty assessment and statistical purposes. In certain instances, such as the entry of merchandise subject to quotas, all documents must be filed and accepted by Customs prior to the release of the goods.

Entry Documents

Within 5 working days of the date of arrival of a shipment at a U.S. port of entry, entry documents must be filed at a location specified by the district/area director, unless an extension is granted. These documents consist of:

a. Entry Manifest, Customs Form 7533; or Application and Special Permit for Immediate Delivery, Customs Form 3461, **or other form of merchandise release required by the district director**.

b. Evidence of right to make entry.

c. Commercial invoice or a pro forma invoice when the commercial invoice cannot be produced.

d. Packing lists if appropriate.

e. Other documents necessary to determine merchandise admissibility.

If the goods are to be released from Customs custody on entry documents, an entry summary for consumption must be filed and estimated duties deposited at the port of entry within 10 working days of the time the goods are entered and released.

Surety

The entry must be accompanied by evidence that surety has been obtained to cover any potential duties, taxes, and penalties which may accrue. Surety usually takes the form of a bond secured by a resident U.S. surety company but may be posted in the form of cash. In the event that a customhouse broker is employed for the purpose of making entry, the broker may permit the use of his bond to provide the required coverage.

Entry Summary Documentation

Following acceptance of the entry, the shipment is examined, **or examination is waived,** and released, provided no legal or regulatory violations have occurred. Entry summary documentation is filed and estimated duties are deposited within 10 working days at a designated customhouse after release of the merchandise. Entry summary documentation consists of:

a. The entry package returned to the importer, broker, or their authorized agent after merchandise is permitted release.

b. Entry summary, Customs Form 7501.

c. Other invoices and documents necessary for the assessment of duties, collection of statistics, or the determination that all import requirements have been satisfied.

Immediate Delivery

An alternate procedure which provides for immediate release of a shipment may be used in some cases by making application for a Special Permit for Immediate Delivery on Customs Form 3461 prior to the arrival of the merchandise. If the application is approved, the shipment is released expeditiously following arrival. An entry summary must then be filed in proper form and estimated duties deposited within 10 working days of release. Release under this provision is limited to the following merchandise:

a. Merchandise arriving from Canada or Mexico, if approved by the district director and an appropriate bond is on file.

b. Fresh fruits and vegetables for human consumption arriving from Canada and Mexico and removed from the area immediately contiguous to the border to the importer's premises within the port of importation.

c. Shipments consigned to or for the account of any agency or officer of the U.S. Government.

d. Articles for a trade fair.

e. Tariff-rate quota merchandise and under certain circumstances merchandise subject to an absolute quota.

f. In very limited circumstances, merchandise released from warehouse followed within 10 working days by a warehouse withdrawal for consumption.

g. Merchandise specifically authorized by Customs Headquarters to be entitled to release for immediate delivery.

Entry for Warehouse

If it is desired to postpone the release of the goods, they may be placed in a Customs bonded warehouse under a warehouse entry. The goods may remain in the bonded warehouse up to 5 years from the date of importation. At any time during that period, warehoused goods may be reexported without the payment of duty or they may be withdrawn for consumption upon the payment of duty at the rate of duty in effect on the date of withdrawal. **If destroyed under Customs supervision, no duty is payable.**

While the goods are in the bonded warehouse, they may, under Customs supervision, be manipulated by cleaning, sorting, repacking, or otherwise changing their condition by processes which do not amount to manufacture. After manipulation and within the warehousing period, the goods may be exported without the payment of duty or they may be withdrawn for consumption upon payment of duty at the rate applicable to the goods in their manipulated condition at the time of withdrawal. Perishable goods, explosive substances, or prohibited importations may not be placed in a bonded warehouse. **Certain restricted articles, though not allowed release from custody, may be warehoused.**

Information regarding bonded manufacturing warehouses is contained in section 311 of the Tariff Act. (19 U.S.C. 1311).

Unentered Goods

If there is a failure to file an entry for the goods at the port of entry or port of destination for in-bond shipments within 5 working days after arrival, the district or port director may place them in a general-order warehouse at the risk and expense of the importer. If the goods are not entered within 1 year from the date of importation, they can be sold at public auction. Perishable goods, goods liable to depreciation, and explosive substances, however, may be sold immediately.

Storage charges, expenses of sale, internal revenue taxes, duties and amounts for the satisfaction of liens must be taken out of the money obtained from the sale of the unentered goods. Any surplus remaining after these deductions is ordinarily payable to the holder of a duly endorsed bill of lading covering the goods. If the goods are subject to internal revenue taxes and will not bring enough on sale at public auction to pay the taxes, they are subject to destruction.

Mail Entries

Importers have found that in some cases it is to their advantage to use the mails to import merchandise into the United States. Some benefits to be gained are:

a. Ease in clearing shipments through Customs. The duties on parcels not exceeding **$1000** are collected by the letter carrier delivering the parcel to the addressee (see note below.)

b. Savings on shipping charges. Smaller, low-valued packages can often be sent less expensively through the mails.

c. No entry required to duty-free merchandise not exceeding **$1000** in value.

d. No need to clear shipments personally if under **$1000** in value.

Joint Customs and postal regulations provide that all parcel post packages must have a Customs declaration securely attached giving an accurate description and the value of the contents. This declaration is obtained at post offices. Commercial shipments must also be accompanied by a commercial invoice enclosed in the parcel bearing the declaration.

Each mail article containing an invoice or statement of value should be marked on the address side "Invoice enclosed." If the invoice or statement cannot conveniently be enclosed within the sealed article, it may be securely attached to the article. Failure to comply with any of these requirements will delay clearance of the shipment through Customs.

Packages other than parcel post, such as letter class mail, commercial papers, printed matter, and samples of merchandise, must bear on the address side a label, Form C1, provided for by the Universal Postal Union, or the endorsement "May be opened for customs purposes before delivery" or similar words definitely waiving the privacy of the seal and indicating that Customs officers may open the parcel without recourse to the addressee. Parcels not labeled or endorsed in this manner and found to contain merchandise subject to duty or tax are subject to forfeiture.

A Customs officer prepares the customs entry for mail importations not exceeding $1000 in value, and the letter carrier at the destination delivers the parcel to the addressee upon payment of the duty. If the value of a mail importation exceeds $1000, the addressee is notified to prepare and file a formal Customs entry (consumption entry) for it at the Customs port nearest to him. A commercial invoice is required with the entry.

A nominal charge on all dutiable or taxable mail, in addition to the duty, is collected from the addressee. This is a postal fee (in addition to prepaid postage) authorized by international postal conventions and agreements as partial reimbursement to the Postal Service for its work in clearing packages through customs and delivering them. In the event the full amount of Customs duty is subsequently refunded on a mail shipment, the postal fee is also refunded.

Note: The following exceptions apply to the $1000-limit: all articles classified in Schedule 3, parts 1, 4A, 7B, 12A, 12D, and 13B of Schedule 7; and parts 2 and 3 of the Appendix to the Tariff Schedules of the United States which are set at $250.

3 right to make entry

Entry by Importer

Merchandise arriving in the United States by commercial carrier must be entered by the owner, purchaser, his authorized regular employees, or by the owner's licensed customhouse broker. U.S. Customs officers and employees are not authorized to act as agents for importers or forwarders of imported merchandise, although they may give all reasonable advice and assistance to inexperienced importers.

The only persons who are authorized by the tariff laws of the United States to act as agents for importers in the transaction of their Customs business are customhouse brokers who are private individuals or firms licensed by the Customs Service. Customhouse brokers will prepare and file the necessary Customs entries, arrange for the payment of the duties found due, take steps to effect the release of the goods in Customs custody, and otherwise represent their principals in customs matters. The fees charged for these services may vary according to the customhouse broker and the extent of services performed.

Every entry must be supported by one of the forms of evidence of the right to make entry outlined in this chapter. When entry is made by a customhouse broker, a Customs power of attorney given by the person or firm for whom the customhouse broker is acting as agent is made in the name of the customhouse broker as consignee. Ordinarily, the authority of an employee to make entry for his employer is most satisfactorily established by a Customs power of attorney.

Entries Made by Others

Entry of goods may be made by a nonresident individual or partnership, or a foreign corporation through an agent or representative of the exporter in the United States, a member of the partnership, or an officer of the corporation.

The surety on any Customs bond required from a nonresident individual or organization must be incorporated in the United States. In addition, a foreign corporation in whose name merchandise is entered must have a resident agent authorized to accept service of process in its behalf in the state where the port of entry is located.

A licensed customhouse broker named in a Customs power of attorney may make entry on behalf of the exporter or his representative. The owner's declaration made by a nonresident individual or organization which the customhouse broker may request must be supported by a surety bond providing for the payment of an increased or additional duties found due. Liability for duties is discussed in chapter 9. An owner's declaration executed in a foreign country is acceptable, but it must be executed before a notary public and bear the notary's seal.

Power of Attorney

A nonresident individual, partnership, or foreign corporation may issue a power of attorney to a regular employee, customhouse broker, partner, or corporation officer to transact customs business in the United States. Any person named in a power of attorney must be a resident of the United States who has been authorized to accept service of process on behalf of the person or organization issuing the power of attorney. Either the applicable Customs form (see appendix) or a document using the same language as the form is acceptable. References to those acts which the issuer has not authorized his agent to perform may be deleted from the form or omitted from the document.

A power of attorney from a foreign corporation must be supported by the following documents or their equivalent when foreign law or practice differs from that in the United States:

1. A certificate from the proper public officer of the country showing the legal existence of the corporation, unless the fact of incorporation is so generally known as to be a matter of common knowledge.
2. A copy of that part of the charter or articles of incorporation which shows the scope of business of the corporation and its governing body.
3. A copy of the document or part thereof by which the person signing the power of attorney derives his authority, such as a provision of the charter or articles of incorporation, a copy of the resolution, minutes of the meeting of the board of directors, or other document by which the governing body conferred the authority. In this case a copy of the bylaws or other document giving the governing board the authority to designate others to appoint agents or attorney is required.

A nonresident individual or partnership or a foreign corporation may issue a power of attorney to authorize the persons or firms named in the power of attorney to issue like powers of attorney to other qualified residents of the United States and to empower the residents to whom such powers of attorney are issued to accept service of process on behalf of the nonresident individual or organization.

A power of attorney issued by a partnership must be limited to a period not to exceed 2 years from the date of execution and shall state the names of all members of the partnership. One member of a partnership may execute a power of attorney for the transaction of the customs business of the partnership. When a new firm is formed by a change of membership, the power of attorney of the prior firm is no longer effective for any customs purpose. The new firm will be required to issue a power of attorney for the transaction of its customs business. **All other powers of attorney may be granted for an unlimited period.**

Customs Form 5291 or a document using the same language as the form is also used to empower an agent other than an attorney-at-law or customhouse broker to file protests on behalf of an importer under section 514 of the Tariff Act of 1930 as amended.

Foreign corporations may comply with customs regulations by executing a power of attorney on the letterhead of the corporation. A form of power of attorney used for this purpose is given below. A nonresident individual or partner may use this same form.

The X Corporation, _____
(Address, city, and country)

organized under the laws of _____ hereby authorizes

_____
(Name or names of employee or officer in the United States

_____
and address or addresses)

to perform on behalf of the said corporation any and all acts specified in Customs Form 5291, Power of Attorney: to accept service of process in the United States on behalf of the X Corporation; to issue powers of attorney on Customs Form 5291 authorizing a qualified resident or residents of the United States to perform on behalf of the X Corporation all acts specified in Customs Form 5291; and to empower such resident or residents to accept service of process in the United States on behalf of the said X Corporation.

Because the laws regarding incorporation, notarization, and authentication of documents vary from country to country, the agent to be named in the power of attorney should consult the district director of Customs at the port of entry where **proof of the document's existence may be required** as to the proper form to be used and the formalities to be met.

4 examination of goods

Prior to release of the goods, the district or port director will designate representative quantities for examination by Customs officers under conditions properly safeguarding the goods. Examination is necessary to determine:

a. The value of the goods for Customs purposes and their dutiable status.

b. Whether the goods must be marked with the country of their origin or require special marking or labeling. If so, whether they are marked in the manner required.

c. Whether the shipment contains prohibited articles.

d. Whether the goods are correctly invoiced.

e. Whether the goods are in excess of the invoiced quantities or a shortage exists.

Some kinds of goods must be examined to determine whether they meet special requirements of the law. For example, food and beverages unfit for human consumption would not meet the requirements of the Food and Drug Administration.

Customs officers will ascertain the quantity of goods imported, making allowance for shortages under specified conditions and assessing duty on any excess. Certain goods will be weighed, gauged, or measured. If the invoice or entry does not state the weight, quantity, or measure of the goods, the expense of determining this data may be collected from the consignee before the goods are released from Customs custody. The invoice may state the quantities in the weights and measures of the country from which the goods are shipped or in the weights and measures of the United States.

Excess Goods and Shortages

The showing of the contents of each package on the invoice, the orderly packing of the goods, the proper marking and numbering of the packages in which the goods are packed, and the placing of the corresponding marks and numbers on the invoice facilitate the allowance in duties for goods which do not arrive and the ascertainment of whether any excess goods are contained in the shipment.

If any package which has been designated for examination is found by the Customs officer to contain any article not specified in the invoice, and there is reason to believe the article was omitted from the invoice with fraudulent intent on the part of the seller, shipper, owner, or agent, the contents of the entire package in which the excess goods are found are subject to seizure and possible forfeiture. On the other

hand, when no fraudulent intent is apparent, penalties do not accrue, but the duties due, if any, will be collected on the excess goods.

When a deficiency in quantity, weight, or measure is found by the Customs officer in the examination of any package which has been designated for examination, an allowance in duty will be made for the deficiency. Allowance in duty is made for deficiencies in packages not designated for examination, provided that before liquidation of the entry becomes final, the importer notifies the District or Port Director of Customs of the shortage and establishes to the satisfaction of the district or port director that the missing goods were not delivered to him.

Damage or Deterioration

Goods which are found by the Customs officer to be entirely without commercial value at the time of arrival in the United States because of damage or deterioration are treated as a "nonimportation." No duties are assessed on these goods. When damage or deterioration is present with respect to part of the shipment only, allowance in duties is not made unless the importer segregates the damaged or deteriorated part from the remainder of the shipment under Customs supervision.

When the shipment consists of fruits, vegetables, or other perishable merchandise, allowance in duties cannot be made unless the importer, within 96 hours after the unlading of the merchandise and before it has been removed from Customs custody, files an application for an allowance with the district or port director.

On shipments consisting of any article partly or wholly manufactured of iron or steel, or any manufacture of iron or steel, allowance or reduction of duty for partial damage or loss as a result of discoloration or rust is precluded by law.

Tare and Draft

In ascertaining the quantity of goods dutiable on net weight, a deduction is made from the gross weight for just and reasonable tare. The following schedule tares are provided for in the Customs Regulations:

Apple boxes. Eight pounds per box. This schedule tare includes the paper wrappers, if any, on the apples.

China clay in so-called half-ton casks. Seventy-two pounds per cask.

Figs in skeleton cases. Actual tare for outer containers plus 13 percent of the gross weight of the inside wooden boxes and figs.

Fresh tomatoes. Four ounces per 100 paper wrappings.

Lemons and oranges. Ten ounces per box and 5 ounces per half box for paper wrappings, and actual tare for outer containers.

Ocher, dry, in casks. Eight percent of the gross weight; in oil in casks, 12 percent of the gross weight.

Pimientos in tins imported from Spain.

Size can	*Drained weights*
3 kilo.	30 pounds—case of 6 tins
28 oz.	36.72 pounds—case of 24 tins
15 oz.	17.72 pounds—case of 24 tins
7 oz.	8.62 pounds—case of 24 tins
4 oz.	5.33 pounds—case of 24 tins

Tobacco, leaf not stemmed. Thirteen pounds per bale; Sumatra: actual tare for outside coverings, plus 4¼ pounds for the inside matting and, if a certificate is attached to the invoice certifying that the bales contain paper wrappings and specifying whether light or heavy paper has been used, either 4 or 8 ounces for the paper wrapping according to the thickness of paper used.

For other goods dutiable on the net weight an actual tare will be determined. An accurate tare stated on the invoice is acceptable for Customs purposes in certain circumstances.

If the importer of record files a timely application for the District or Port Director of Customs, an allowance may be made in any case for excessive moisture and impurities not usually found in or upon the particular kind of goods.

5 packing of goods—commingling

Packing

Information on how to pack goods for the purposes of transportation may be obtained from shipping manuals, carriers, forwarding agents, and other sources. This chapter, therefore, deals with putting up goods being exported in a way which will permit U.S. Customs officers promptly to examine, weigh, measure, and release the goods.

Orderly packing and proper invoicing go hand in hand. If you invoice your goods in a systematic manner and show the exact quantity of each item of goods in each box, bale, case, or other package, and if you will be sure to put marks and numbers on each package and show those marks and numbers on your invoice opposite the itemization of the goods contained in the package which bears those marks and numbers, you will speed up the clearance of your goods through customs.

When the packages contain goods of one kind only, or when the goods are imported in packages the contents and values of which are uniform, the designation of packages for examination and the examination for customs purposes is greatly facilitated. If the contents and values differ from package to package, the possibility of delay and confusion is increased. Sometimes because of the kinds of goods or because of the unsystematic manner in which they are packed, the entire shipment must be examined.

Pack and invoice your goods in a manner which makes a speedy examination possible. Always bear in mind that it may not be possible to ascertain the contents of your packages without full examination unless your invoice clearly shows the marks and numbers on each package (whether box, case, or bale) and specifies the exact quantity of each item of adequately described goods in each marked and numbered package.

Your cooperation in these respects will help the Customs officers to decide which packages must be opened and examined; how much weighing, counting, or measuring must be done and whether the goods are properly marked. It will simplify the ascertainment of tare and reduce the number of samples to be taken for laboratory analysis or for any other customs purpose. It will facilitate the verification of the contents of the packages as well as the reporting by Customs officers of missing or excess goods. And it will minimize the possibility that the importer may be asked to redeliver for examination packages which were released to him on the theory that the packages designated for examination were sufficient for that purpose.

It is clear that packing which, in fact, amounts to a confusion of different kinds of goods makes it impracticable for Customs officers to determine the quantity of each kind of goods in an importation and leads to various complications. No problem arises from the orderly packing of several kinds of properly invoiced goods in one package—it is indiscriminate packing which causes difficulty.

Commingling

Except as mentioned hereafter, whenever articles subject to different rates of duty are so packed together or mingled that the quantity or value of each class of articles cannot be readily ascertained by Customs officers (without physical segregation of the shipment or the contents of any package thereof) the commingled articles shall be subject to the highest rate of duty applicable to any part of the commingled lot unless the consignee or his agent segregates under Customs supervision.

The three methods of ready ascertainment specified by General Headnote and Rules of Interpretation No. 7, TSUSA, are (1) are sampling, (2) verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlements tests generally accepted in the trade and filed in the time and manner as prescribed in the Customs Regulations.

The segregation is at the risk and expense of the consignee. It must be done within 30 days (unless a longer time is granted) after the date of personal delivery or the date of mailing of a notice to the consignee by the district or port director of Customs that the goods are commingled. The compensation and expenses of the Customs officers supervising the segregation must be paid for by the consignee.

Assessment of duty on the commingled lot at the highest applicable rate does not apply to any part of a shipment if the consignee or his agent furnishes satisfactory proof that (1) such part is commercially negligible, is not capable of segregation without excessive cost, and will not be segregated prior to its use in a manufacturing process or otherwise; and (2) the commingling was not intended to avoid the payment of lawful duties.

Any article for which such proof is furnished shall be considered for all Customs purposes as a part of the article, subject to the next lower rate of duty, with which it is commingled.

In addition, the highest rate rule mentioned does not apply to any part of a shipment if there is furnished satisfactory proof that (1) the value of the commingled articles is less than the aggregate value would be if the shipment were segregated, (2) the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise, and (3) the commingling was not intended to avoid the payment of lawful duties.

Any merchandise for which such proof is furnished shall be considered for all Customs purposes to be dutiable at the rate applicable to the material present in greater quantity than any other material.

The above rules do not apply if the tariff schedules provide a particular tariff treatment for commingled articles.

6 commercial invoice

A commercial invoice, signed by the seller or shipper, or his agent, is acceptable for customs purposes if it is prepared in accordance with Section 141.86, Customs Regulations, and in the manner customary for a commercial transaction involving goods of the kind covered by the invoice.

The invoice must provide the following information, as required by the Tariff Act:

(1) The port of entry to which the merchandise is destined;

(2) If merchandise is sold or agreed to be sold, the time, place, and names of buyer and seller; If consigned, the time and origin of shipment, and names of shipper and receiver;

(3) A detailed description of the merchandise, including the name by which each item is known, the grade or quality, and the marks, numbers, and symbols under which sold by the seller or manufacturer to the trade in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed;

(4) The quantities in U.S. weights and measures or in those of the place where shipping originates;

(5) If sold or agreed to be sold, the purchase price of each item in the currency of the sale;

(6) If the merchandise is shipped for consignment, the value for each item, in the currency in which the transactions are usually made, or, in the absence of such value, the price in such currency that the manufacturer, seller, shipper, or owner would have received, or was willing to receive, for such merchandise if sold in the ordinary course of trade and in the usual wholesale quantities in the country of exportation;

(7) The kind of currency;

(8) All charges upon the merchandise, itemized by name and amount including freight, insurance, commission, cases, containers, coverings, and cost of packing; and if not included above, all charges, costs, and expenses incurred in bringing the merchandise from alongside the carrier at the first U.S. port of entry. The cost of packing, cases, containers, and inland freight to the port of exportation need not be itemized by amount if included in the invoice price and so identified. Where the required information does not appear on the invoice as originally prepared, it shall be shown on an attachment to the invoice; and

(9) All rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise.

If the merchandise is sold on the documents while in transit, the original invoice reflecting this transaction and the resale invoice or a statement of sale showing the price paid for each item by the purchaser shall be filed as part of the entry, entry summary, or withdrawal documentation.

The invoice and all attachments must be in the English language, or shall be accompanied by an accurate English translation.

Each invoice shall state in adequate detail what merchandise is contained in each individual package.

If the invoice or entry does not disclose the weight, gage, or measure of the merchandise necessary to ascertain duties, the consignee shall pay such expenses prior to the release of the merchandise from Customs custody.

Each invoice shall set forth in detail, for each class or kind of merchandise, every discount from list or other base price which has been or may be allowed in fixing each purchaser price or value.

When more than one invoice is included in the same entry, each invoice with its attachments shall be numbered consecutively by the importer on the bottom of the face of each page, beginning with number 1. If invoice is more than two pages, begin with number 1 for the first page of the first invoice and continue in a single series of numbers through all the invoices and attachments included in one entry. If an entry covers one invoice of one page and a second invoice of two pages, the numbering at the bottom of the page shall be as follows: Inv. 1, p.1; Inv. 2, p.2; Inv. 2, p.3.

Any information required on an invoice may be set forth either on the invoice or on the attachment.

Specific Requirements

1. Separate Invoice Required for Each Shipment. Not more than one distinct shipment from one consignor to one consignee by one commercial carrier shall be included on the same invoice.

2. Assembled Shipments. Merchandise assembled for shipment to the same consignee by one commercial carrier may be included in one invoice. The original bills or invoices covering the merchandise, or extracts therefrom, showing the actual price paid or agreed to be paid, should be attached to the invoice.

3. Installment Shipments. Installments of a shipment covered by a single order or contract and shipped from one consignor to one consignee may be included in one invoice if the installments arrive at the port of entry by any means of transportation within a period not to exceed 10 consecutive days.

The invoice should be prepared in the same manner as are invoices covering single shipments and should include any additional information which may be required for the particular class of goods concerned. If it is practical to do so, the invoice should show the quantities, values, and other invoice data with respect to each installment, and the identification of the importing conveyance in which each installment was shipped.

4. Production "Assist." The invoice should indicate whether the production of merchandise involved costs for "assists" (i.e.—dies, molds, tooling, printing plates, artwork, engineering work, design and development, financial assistance, etc.) which are not included in the invoice price. If assists were involved, state their value, if known, and by whom supplied. Were they supplied without cost, or on a rental basis, or were they invoiced separately? If the latter, attach a copy of the invoice.

Whenever U.S. Customs requires information on the cost of production of goods for customs valuation, the importer will be notified by the district director. Thereafter, invoices covering shipments of such goods must contain a statement on the cost of production by the manufacturer or producer.

5. Additional Information Required. Special information may be required on certain goods or classes of goods in addition to the information normally required on the invoice. Although the United States importer usually advises the exporter of these special situations, section 141.89 of the Customs Regulations, which covers the requirements for these goods, has been reproduced in the appendix.

6. Rates of Exchange. For merchandise imported from a country having a currency for which two or more rates of exchange have been certified by the Federal Reserve Bank of New York (section 522 of the Tariff Act of 1930), the invoice will show the exchange rate or rates used in converting the United States dollars received for the merchandise into the foreign currency and the percentage of each rate if two or more rates are used. If a rate or combination of rates used in payment of costs, charges, or expenses is different from those used in payment for the merchandise, state that rate or combination of rates separately. Where dollars have not been converted at the time the invoice is prepared, that fact is stated on the invoice, in which case the invoice shall also state the rate or combination of rates at which the dollars will be converted or that it is not known what rate or rates will be used. Rates of exchange are not required for merchandise unconditionally free of duty or subject only to a specific rate of duty not depending on value.

7 other invoices

Pro Forma Invoice

If the required commercial invoice is not filed at the time the merchandise is entered, a statement in the form of an invoice (a pro forma invoice) must be filed by the importer at the time of entry. A bond is given for production of the required invoice not later than 6 months from the date of entry. If the invoice is needed for statistical purposes, it must generally be produced within 50 days from the date the entry summary is required to be filed.

The exporter should bear in mind that unless he forwards the required invoice in time, the American importer will incur a liability under his bond for failure to file the invoice with the District or Port Director of Customs before the expiration of the 6-month period.

Although a pro forma invoice is not a document which is prepared by the exporter, it is of interest to exporters as it gives a general idea as to the kind of information needed for entry purposes and indicates what the importer may find necessary to furnish Customs officers at the time a formal entry is filed for a commercial shipment if a properly prepared customs or commercial invoice is not available at the time the goods are entered. An acceptable format for a pro forma invoice is reproduced in the appendix.

Some of the additional information specified for commodities under section 141.89 of the Customs Regulations may not be required when entry is made on a pro forma invoice. However, the pro forma invoice must contain sufficient data for examination, classification, and appraisement purposes.

Special Summary Steel Invoice

A special summary steel invoice is required when merchandise contains any of the articles of steel listed below if the shipment has an aggregate purchase price of (1) $10,000 or more, or (2) $5,000 or more if from a contiguous country. Included in these amounts are all expenses incident to placing the merchandise in condition, packed ready for shipment to the United States. This invoice, Customs Form 5520 (see appendix), is filed in duplicate at the time of filing the entry summary and the following information is required in addition to that required on a commercial or special customs invoice:

- The date price terms were agreed upon (the date of agreement on the final sales price for the shipment).
- Description and cost of extras (a description of, and the additional price charged for, extras, other than width and length, with extras described in terms understood in the United States market).
- American Iron and Steel Institute (AISI) category.
- Base price (the base price for each steel category on which the total sales price was based).
- The name of the producer, the importer, and the price paid by the first unrelated purchaser in the United States, if that price is available at the time of filing the entry summary. One or more continuation sheets may be used to supply this information, if necessary.

AISI Category Numbers and Products

1A.	Ingots.	16.	Bars-cold finished.	27.	Bale ties and baling wire.
1B.	Blooms, slabs, billets, etc.	17.	Tool steel.	28.	Black plate.
3.	Wire rods.	18.	Standard pipe.	29.	Tin plate.
4.	Structural shapes-pl. 3 in. & over.	19.	Oil country goods.	29A.	Tin free plate.
		20.	Line pipe.	31.	Sheets hot rolled.
5.	Steel piling.	21A.	Mechanical tubing.	32.	Sheets cold rolled.
6.	Plates.	21B.	Pressure tubing.	33.	Sheets galvanized.
7.	Rails standard.	21C&D.	Stainless pipe & tubing.	34.	All other metallic coated.
8.	Rails other.	21E.	Pipe and tubing nonclassified.	35.	Electric sheets and strip.
9-10.	Joint bars and tie plates.	22.	Structural pipe and tube, sq. & rect.	36.	Strip-hot rolled.
11.	Track spikes.			37.	Strip-cold rolled.
12-13.	Wheels and axles.	23.	Wire drawn.	38.	Fabricated structurals.
14.	Bars hot rolled.	24.	Wire nails.	43.	Wire rope.
14A.	Bar shapes under 3 inches.	25.	Barbed wire.	44.	Wire strand.
15.	Concrete reinforcing bars.	26.	Galvanized wire fencing.	51.	Rigid conduit.

8 frequent errors in invoicing

If difficulties, delays, and possible penal sanctions affecting the importer are to be avoided, due care must be exercised by foreign sellers and shippers in the preparation of invoices and other documents to be used in the entry of goods into the commerce of the United States. Each document must contain all information required by law or regulations and every statement of fact contained in the documents must be true and accurate. Any inaccurate or misleading statement of fact in a document presented to a Customs officer in connection with an entry, or the omission from the document of required information, may result in the detention of the goods or a claim against the importer for forfeiture value. Even though the inaccuracy or omission was unintentional, the importer may be required to establish that he exercised due diligence and was not negligent, in order to avoid a forfeiture with consequent delay in obtaining possession of goods and closing the transaction.

It is particularly important that all statements relating to price or value and amounts of discounts, charges, and commissions be truthfully and accurately set forth. It is also important that the invoices shall

set forth the true name of the actual seller and purchaser of the goods, in the case of purchased goods, or the true name of the actual consignor and consignee, when the goods are shipped otherwise than in pursuance of a purchase, and that the invoice shall otherwise reflect the real nature of the transaction pursuant to which the goods were shipped to the United States.

The fundamental rule to be borne in mind is that the shipper and importer must furnish the Customs officers with all pertinent information with respect to each import transaction to assist the Customs officers in determining the tariff status of the goods. Examples of omissions and inaccuracies to be avoided are:

The shipper assumes that a commission, royalty, or other charge against the goods is a so-called "nondutiable" item and omits it from the invoice.

A foreign shipper who purchases goods and sells them to a United States importer at a delivered price shows on the invoice the cost of the goods to him instead of the delivered price.

A foreign shipper manufactures goods partly with the use of materials supplied by the United States importer, but invoices the goods at the actual cost to the manufacturer without including the value of the materials supplied by the importer.

The foreign manufacturer ships replacement goods to his customer in the United States and invoices the goods at the net price without showing the full price less the allowance for defective goods previously shipped and returned.

A foreign shipper who sells goods at list price, less a discount, invoices them at the net price, and fails to show the discount.

A foreign shipper sells goods at a delivered price but invoices them at a price f.o.b. the place of shipment and omits the subsequent charges.

A foreign shipper indicates in the invoice that the importer is the purchaser, whereas he is in fact either an agent who is receiving a commission for selling the goods or a party who will receive part of the proceeds of the sale of the goods sold for the joint account of the shipper and consignee.

9 dutiable status of goods

Rates of Duty

All goods imported into the United States are subject to duty or duty-free entry in accordance with their classification under the applicable items in the Tariff Schedules of the United States. An annotated, looseleaf edition of the tariff schedules may be purchased from the U.S. Government Printing Office, Washington, D.C. 20402. The tariff schedules may also be found in 19 U.S.C.A. sec. 1202.

When goods are dutiable, ad valorem, specific, or compound rates may be assessed. An ad valorem rate, which is the type of rate most often applied, is a percentage of the appraised value of the merchandise, such as 5 percent ad valorem. A specific rate is a specified amount per unit of weight or other quantity, such as 5.9 cents per dozen. A compound rate is a combination of both an ad valorem rate and a specific rate, such as 0.7 cents per pound plus 10 percent ad valorem.

Free of Duty or Dutiable

Rates of duty for imported merchandise may also vary depending upon the country of origin. Certain rate concessions are reflected in the LDDC column of the tariff schedules showing the rates for merchandise from least developed developing countries. Most merchandise is dutiable under the most-favored-nation (MFN) rates in column 1 of the tariff schedules. Merchandise from countries to which the MFN rates have not been extended is dutiable at the full or "statutory" rates in column 2 of the tariff schedules.

Free rates are provided for many items in columns 1 and 2 and in the LDDC column of the tariff schedules. Duty-free status is also available under various conditional exemptions. One of the more frequently applied exemptions from duty occurs under the Generalized System of Preferences. GSP-eligible merchandise qualifies for duty-free entry when it is from a beneficiary developing country and meets other requirements as discussed in chapter 12. Other exemptions are found under the items in schedule 8 of the tariff schedules. These items include, among others, certain personal exemptions, exemptions for articles for scientific or other institutional purposes, and exemptions for returned American goods.

Rulings on Imports

The Customs Service makes its decision as to the dutiable status of merchandise when the entry is liquidated after the entry documents have been filed. When advance information is needed, do not depend on a small "trial" or "test" shipment since there is no guarantee that the next shipment will receive the same tariff treatment. Small importations may slip by, particularly if they are processed under informal procedures which apply to small shipments or in circumstances warranting application of a flat rate. An exporter, importer, or other interested party may get advance information on any matter affecting the dutiable status of merchandise by contacting the director of the port or district where the merchandise will be entered or by writing to the Regional Commissioner of Customs, Region II, New York, N.Y. 10048 or to the **U.S. Customs Service**, Attention: Office of Regulations and Rulings, Washington, D.C. 20229. Detailed information on the procedures applicable to decisions on prospective importations are in 19 CFR part 177.

Binding Decisions

While you will find, that for many purposes, the ports and districts are your best sources of information, advance tariff classifications by them are advisory only and not binding on the Customs Service. Tariff classifications on prospective importations, and certain other decisions, which can be relied on for placing or accepting orders or for making other business determinations are provided when you write to the Regional Commissioner, Region II, or the **U.S. Customs Service** in Washington, D.C. These decisions will not be changed by subsequent administrative rulings imposing higher rates of duty without advance notice and an opportunity to submit a presentation showing why you think a previous decision should be continued.

A request for a tariff classification decision should include the following information:

1. A complete description of the goods. Send samples, if practical, sketches, diagrams, or other illustrative material that will be useful in supplementing the written description.
2. Cost breakdowns of component materials and their respective quantities shown in percentages, if possible.
3. A description of the chief use of the goods, as a class or kind of merchandise, in the United States.
4. Information as to commercial, scientific or common designations as may be applicable.
5. Any other information that may be pertinent or required for the purpose of tariff classification.

Any of the first four above requirements may be disregarded if you are certain the information will not be of use for tariff classification purposes. However, to avoid delays, your request should be as complete as possible. If you send a sample, do not rely on that to tell the whole story. Also, samples which are destroyed during laboratory analysis, which is done free of charge, of course, cannot be returned.

A request for a ruling must also contain a statement as to whether the same or an identical transaction is currently or has ever been considered by Customs or a court of law, and the identification of any privileged or confidential information, trade secrets, and reasons for non-disclosure.

Information submitted and incorporated in the response to a request for a Customs decision may be disclosed or withheld in accordance with the provisions of the Freedom of Information Act, as amended (15 U.S.C. 552; 19 CFR 177.8(a)(3)).

Internal Advice Procedures

When dutiable status is determined after importation without benefit of an advance decision, a Customs Headquarters decision may still be available through the internal advice procedures (see 19 CFR 177.11). Internal advice may be requested when there is a significant disagreement as to classification or any other issue affecting the rate of duty by writing to the port or district having jurisdiction over the entry. The matter will then be referred to Customs Headquarters if it otherwise qualifies for an internal advice decision.

Protests

Dutiable status can also be the subject of a Customs Headquarters decision after the entry has been liquidated. A decision at this stage of the entry transaction is requested by filing a protest and application for further review on Customs Form 19 within 90 days after liquidation (see 19 CFR part 174). If the Customs Service denies a protest, dutiable status may then be determined through litigation against the Government.

Liability for Duties

There is no provision under which U.S. duties or taxes may be prepaid in a foreign country before exportation to the United States. This is true even in the case of gifts sent through the mail.

In the usual case, liability for the payment of duty becomes fixed at the time an entry for consumption or for warehouse is filed with Customs. The obligation for payment is upon the person or firm in whose name the entry is filed. When goods have been entered for warehouse, the liability for the payment of duties may be transferred to any person who purchases the goods and desires to withdraw them in his own name.

If the entry is made in the name of a customhouse broker, relief from statutory liability for the payment of increased or additional duties found due may be obtained by the broker if (1) the actual owner of goods is named and (2) and owner's declaration whereby the owner agrees to pay the additional amount of duty and the owner's bond are filed by the broker with the district director within 90 days of the date of entry.

10 containers or holders

Lift vans, cargo vans, shipping tanks, pallets and certain similar articles used in the shipment of goods in international traffic are designated as "instruments of international traffic" by the Customs Service. So long as this designation applies, they are not subject to entry or duty when they arrive, whether they are loaded or empty. Holders of merchandise, but of a different class, may also be designated as instruments of international traffic upon application to the Commissioner of Customs. However, any article designated as an instrument of international traffic must be entered and duty paid, if applicable, if it is diverted to a domestic use.

The usual and ordinary types of shipping and transportation containers and holders not designed for or capable of reuse and containers of the usual types sold at retail with their contents are not subject to treatment as imported articles. Their cost, however, is added to the value of their contents. Therefore, if an ad valorem rate of duty applies to the contents, the containers are dutiable at the same rate. The value of containers made in the United States, however, would not be added to the dutiable value of their contents.

Containers or holders which are designed for or capable of reuse, however, are subject to tariff treatment separate and distinct from their contents, unless entitled to an exemption. For example, a container designed for a decorative purpose in the household after the contents are used has a separate dutiable status apart from its contents. In some situations, a container may even be dutiable at a higher rate than the rate applicable to the contents. Containers which are imported empty are also dutiable as imported articles in themselves if not entitled to an exemption.

11 temporary free importations

Temporary Importation Under Bond (TIB)

Goods of the types enumerated below when not imported for sale or for sale on approval may be admitted into the United States without the payment of duty, under bond, for their exportation within 1 year from the date of importation. Generally, the amount of the bond is double the estimated duties. The 1-year period for exportation may, upon application to the district or port director, be extended for one or more further periods which, when added to the initial 1 year, shall not exceed a total of 3 years. There is an exception in the case of articles covered in item 15: the period of the bond may not exceed 6 months and may not be extended.

Merchandise entered under TIB must be exported before expiration of the bond period, or any extension, to avoid assessment of liquidated damages in the amount of the bond.

Classes of Goods

1. Merchandise to be repaired, altered, or processed (including processes which result in an article being manufactured or produced in the United States), provided that the following conditions are met:

   a. The merchandise will not be processed into an article manufactured or produced in the United States if the article is (1) potable grain alcohol, distilled spirits, wine, beer, or any dilution or mixture of these; (2) a perfume or other commodity containing ethyl alcohol whether denatured or not; (3) a product of wheat.

   b. If merchandise is processed and results in an article being manufactured or produced in the United States other than those described above, (1) a complete accounting will be made to the Customs Service for all articles, wastes, and irrecoverable losses resulting from the processing, and (2) all articles will be exported or destroyed under Customs supervision within the bonded period. Valuable waste must also be exported or so destroyed unless duty, if applicable, is paid.

2. Models of women's wearing apparel imported by manufacturers for use solely as models in their own establishments.

3. Articles imported by illustrators and photographers for use solely as models in their own establishments to illustrate catalogs, pamphlets, or advertising matter.

4. Samples solely for use in taking orders for merchandise.

5. Articles solely for examination with a view to reproduction or for examination and reproduction (except photoengraved printing plates for examination and reproduction); and motion-picture advertising films.

6. Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study. If articles under this category are destroyed in connection with the experiment or study, proof must be presented to satisfy the obligation under the bond to export the articles.

7. Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing, if brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests. District or port directors may defer the exaction of a bond for not to exceed 90 days after the date of importation for vehicles and craft to take part in races or other specific contests for other than money purposes. If the vehicle or craft is not exported or the bond is not given within the period of such deferment, the vehicle or craft shall be subject to forfeiture.

8. Locomotives and other railroad equipment brought temporarily into the United States for use in clearing obstructions, fighting fires, or making emergency repairs on railroads within the United States, or for use in transportation otherwise than in international traffic when the Secretary of the Treasury finds that the temporary use of foreign railroad equipment is necessary to meet an emergency.

9. Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose.

10. Professional equipment, tools of trade, repair components for equipment or tools admitted under this item, and camping equipment imported by or for nonresidents sojourning temporarily in the United States for the nonresident's use, or by an organization represented by the nonresident which is a legally established business in a foreign country.

11. Articles of special design for temporary use exclusively in connection with the manufacture or production of articles for export.

12. Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor.

13. Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions.

14. Works of free fine arts, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States.

15. Automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes. These articles may be admitted only on condition that the Secretary of the Treasury has found that the foreign country from which the articles were imported allows or will allow substantially reciprocal privileges in respect of similar imports to that country from the United States. If the Secretary finds that a foreign country has discontinued or will discontinue the allowance of such privileges, the privileges under this item shall not apply thereafter to imports from that country.

Relief from Liability

Relief from liability under bond may be obtained in any case in which the articles are destroyed under Customs supervision, in lieu of exportation, within the original bond period. However, in the case of articles entered under item 6, destruction need not be under Customs supervision where articles are destroyed during the course of experiments or tests during the bond period or any lawful extension, but satisfactory proof of destruction shall be furnished to the district or port director with whom the customs entry is filed.

ATA Carnet

ATA stands for the combined French and English words "Admission Temporaire—Temporary Admission." ATA carnet is an international customs document which may be used for the temporary duty-free importation of certain goods into a country in lieu of the usual customs documents required. The carnet serves as a guarantee against the payment of customs duties which may become due on goods temporarily imported and not re-exported.

A carnet is valid for a period of one year. The traveler or businessman, however, can make as many trips as desired during the period the carnet is valid.

The United States currently allows ATA carnets to be used for the temporary admission of professional equipment, commercial samples, and advertising material. Most other countries allow the use of carnets for the temporary admission of these goods and, in some cases, other uses of the ATA carnet are permitted. ATA carnets can also be used for transit (in-bond movement of goods) in the United States under the applicable regulations.

Local carnet associations, as members of the International Bureau of the Paris-based International Chamber of Commerce, issue carnets to their residents. These associations guarantee the payment of duties to local customs authorities should goods imported under cover of a foreign-issued carnet not be

re-exported. In the United States, the U.S. Council of the International Chamber of Commerce, located at 1212 Avenue of the Americas, New York, N.Y. 10036, has been designated by U.S. Customs as the United States issuing and guaranteeing organization. A fee is charged by the Council for its service.

ATA carnets can be used in the following countries:

Australia	Hungary	Poland
Austria	Iceland	Portugal
Belgium	Iran	Romania
Bulgaria	Ireland	Senegal
Canada	Israel	South Africa
Cyprus	Italy	Spain
Czechoslovakia	Ivory Coast	Sweden
Denmark	Japan	Switzerland
Finland	Korea	Turkey
France	Luxembourg	United Kingdom
Germany, Federal Republic of	Netherlands	United States
Greece	New Zealand	Yugoslavia
Hong Kong	Norway	

Egypt and certain other countries have accepted the ATA convention but have not implemented the use of carnets.

12 generalized system of preferences

The Generalized System of Preferences is a program providing for free rates of duty for merchandise from beneficiary developing independent countries and dependent countries and territories to encourage their economic growth. This program was enacted by the United States in the Trade Act of 1974, became effective on January 1, 1976, and **was extended to July 4, 1993**.

Eligible Items

The GSP eligibility list contains a wide range of products, classifiable under approximately 3,000 different item numbers in the Tariff Schedules of the United States. These items are identified by either an "A" or "A*" in the "special" column of the tariff schedules. Merchandise classifiable under an item number designated in this manner may qualify for duty-free entry if imported into the United States directly from any of the designated countries and territories. Merchandise from one or more of these countries, however, may be excluded from the exemption if there is an "A*" in the "special" column. The list of countries and exclusions, as well as the list of GSP-eligible articles, will change from time to time over the life of the program. Therefore, the latest edition of the Tariff Schedules of the United States Annotated will contain the most up-to-date information.

If advance tariff classification information is needed to ascertain whether or not your commodity is eligible under the GSP, you may get this information under the procedures previously discussed in chapter 9 relating to dutiable status.

Formal Entries

For commercial shipments requiring a formal entry, a claim for duty-free status is made under GSP by showing on the entry summary that the country of origin is a designated beneficiary developing country and by showing an "A" with the appropriate GSP-eligible item number. Eligible merchandise will be entitled to duty-free treatment provided the following conditions are met:

1. The merchandise must be destined to the United States without contingency for diversion at the time of exportation from the beneficiary developing country.
2. The UNCTAD (United Nations Conference on Trade and Development) Certificate of Origin Form A must be properly prepared, signed by the exporter, and certified by the designated governmental authority of the beneficiary developing country and be either filed with the entry or furnished before liquidation or other final action on the entry **if requested to do so by Customs**.

3. The merchandise must be produced in the beneficiary developing country from which it is directly shipped. This requirement may be satisfied when (a) the goods are wholly the growth, product, or manufacture of the beneficiary developing country, or (b) the goods are substantially transformed into a new and different article of commerce in the beneficiary developing country. In addition, the cost or value of materials produced in the beneficiary developing country and/or the direct costs of processing performed there must represent at least 35 percent of the appraised value of the goods.

The cost or value of materials imported into the beneficiary development country may be included in calculating the 35 percent value-added requirement for an eligible article if the materials are first substantially transformed into new and different articles and are then used as constituent materials in the production of the eligible article. The phrase "direct costs of processing" includes costs directly incurred or reasonably allocated to the processing of the article, such as the cost of all actual labor, dies, molds, tooling, depreciation, research and development and inspection and testing. Business overhead, administrative expenses, salaries, and profit, as well as general business expenses, such as administrative salaries, insurance, advertising and salesmen's salaries, are not considered as direct costs of processing.

Certificate of Origin Form A

Normally, the Customs Service will accept an entry at the free rate if Form A is presented at the time of entry. If Form A is not available, the importer **will have to produce it for GSP duty-free treatment if requested to do so by Customs.**

The UNCTAD Certificate of Origin Form A is not available for sale in the United States. The beneficiary developing countries and territories participating in the program are responsible for printing and supplying this form. Exporters may get this form from the designated governmental certifying authority in their respective countries. Customs GSP Circular No. 31, and supplements to it, contain the most current list of certifying authorities. If Form A is not available from the governmental certifying authority, the form may be purchased from any of the commercial printers listed below, or you may contact the Director, Technical Assistant Project/GSP, UNCTAD, 1211 Geneva 10, Switzerland, for further advice on obtaining the form.

Federal Republic of Germany

—Formular-Verlag Purschke & Hensel
Barbacher Strasse 232
D-5300 Bonn

—Wilhelm Kohler Verlag
495 Minden 2
Postfach 1530
Bruckenkopf 2a

Hong Kong

—Che San & Company
10 Pottinger Street

—Cheung Lee Printing Company
210 A Li Po Chun Chambers
185-195 Des Voeux Road, Central

—Winson (HK) Printing Company
80-82 Wharf Road
North Point

Informal Entries

Although Certificates of Origin Form A are not required for merchandise covered by an informal entry, the district director of Customs may require such other evidence of the country of origin as he may deem necessary. The requirement of Form A for merchandise covered by a formal entry may be waived by the district director **where he determines appropriate**, or if the imported articles are for household or personal use and are not intended for resale or brought in for the account of others, and if the district director is otherwise satisfied that the merchandise qualifies for duty-free treatment under GSP.

Sources of Additional Information

Customs rules and regulations on GSP are incorporated in sections 10.171–10.178 of the Customs Regulations. Address any question you may have as to the administrative or operational aspects of the GSP to the Director, Commercial Compliance Division, U.S. Customs Service, Washington, D.C. 20229. Requests for information concerning additions to, or deletions from, the list of eligible merchandise under GSP, or the list of beneficiary developing countries, should be directed to the Chairman, Trade Policy Staff Subcommittee, Office of U.S. Trade Representative, 600 17th St., N.W., Washington, D.C. 20506.

Independent Countries

Angola
Antigua and Barbuda***
Argentina
Bahamas***
Bahrain
Bangladesh
Barbados***
Belize***
Benin
Bhutan
Bolivia*
Botswana
Brazil
Brunei Darussalam**
Burkina Faso
Burma
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Chile
Colombia*
Comoros
Congo
Costa Rica
Cyprus
Djibouti
Dominica***
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Fiji
Gambia
Ghana
Grenada***
Guatemala
Guinea
Guinea Bissau
Guyana***
Haiti
Honduras
India
Indonesia**
Israel
Ivory Coast
Jamaica***
Jordan
Kenya
Kiribati
Korea, Republic of
Lebanon
Lesotho
Liberia
Madagascar
Malawi
Malaysia**
Maldives
Mali
Malta
Mauritania
Mauritius
Mexico
Morocco
Mozambique
Nauru
Nepal
Nicaragua
Niger
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru*
Philippines**
Portugal
Romania
Rwanda
Saint Lucia***
Saint Vincent and the Grenadines***
Sao Tome and Principe
Senegal
Seychelles
Sierra Leone
Singapore**
Solomon Islands
Somalia
Sri Lanka
Sudan
Surinam
Swaziland
Syria
Taiwan
Tanzania
Thailand**
Togo
Tonga
Trinidad and Tobago***
Tunisia
Turkey
Tuvalu
Uganda
Upper Volta
Uruguay
Vanuatu
Venezuela*
Western Samoa
Yemen Arab Republic (Sanaa)
Yugoslavia
Zaire
Zambia
Zimbabwe

Non-Independent Countries and Territories

Anguilla
Bermuda
British Indian Ocean Territory
Cayman Islands
Christmas Island (Australia)
Cocos (Keeling) Islands
Cook Islands
Falkland Islands (Islas Malvinas)
French Polynesia
Gilbraltar
Heard Island and McDonald Islands
Hong Kong
Macau
Montserrat***
Netherlands Antilles
New Caledonia
Niue
Norfolk Island
Pitcairn Islands
Saint Christopher-Nevis***
Saint Helena
Tokelau
Trust Territory of the Pacific Islands
Turks and Caicos Islands
Virgin Islands, British
Wallis and Futuna
Western Sahara

* Member countries of the Cartagena Agreement—Andean Group (treated as one country).

** Association of South East Asian Nations—ASEAN (treated as one country).

*** Member countries of the Caribbean Common Market—CARICON (treated as one country).

13 caribbean basin initiative

The Caribbean Basin Initiative (CBI) is a program providing for the duty-free entry of merchandise from designated beneficiary countries or territories. This program was enacted by the United States as the Caribbean Basin Economic Recovery Act, became effective on January 1, 1984, and will expire on September 30, 1995, unless the Congress takes action to extend it.

Beneficiary Countries

The following countries and territories have been designated as beneficiary countries for purposes of the CBI:

- Antigua and Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- Costa Rica
- Dominica
- Dominican Republic
- El Salvador
- Grenada
- Guatemala
- Haiti
- Honduras
- Jamaica
- Montserrat
- Netherlands Antilles
- Panama
- Saint Christopher-Nevis
- Santa Lucia
- Saint Vincent and the Grenadines
- Trinidad and Tobago
- Virgin Islands, British

Eligible Items

The list of beneficiaries may change from time to time over the life of the program. Therefore, it is necessary to consult General Headnote 3 (e) in the latest edition of the Tariff Schedules of the United States Annotated which will contain the most up-to-date information.

Most products from designated beneficiaries may be eligible for CBI duty-free treatment. These items are identified by either an "E" or "E*" in the "Special" column of the Tariff Schedules. Merchandise classifiable under an item number designated in this manner may qualify for duty-free entry if imported into the United States directly from any of the designated countries and territories. Merchandise from one or more of these countries, however, may be excluded from the exemption if there is an "E*" in the "Special" column. The list of countries will change from time to time over the life of the program. Therefore, the latest edition of the Tariff Schedules of the United States Annotated will contain the most up-to-date information.

Rules of Origin

Merchandise will be eligible for CBI duty-free treatment only if the following conditions are met:

1. The merchandise must be imported directly from any beneficiary country into the customs territory of the United States.
2. The merchandise must have been produced in a beneficiary country. This requirement is satisfied when (1) the goods are wholly the growth, product, or manufacture of a beneficiary country, or (2) the goods have been substantially transformed into a new and different article of commerce in a beneficiary country.
3. At least 35 percent of the appraised value of the article imported into the United States must consist of the cost or value of materials produced in one or more beneficiary countries and/or the direct costs of processing operations performed in one or more beneficiary countries. The Commonwealth of Puerto Rico and the U.S. Virgin Islands are defined as beneficiary countries for purposes of this requirement; therefore, value attributable to Puerto Rico or the Virgin Islands may also be counted. In addition, the cost or value of materials produced in the customs territory of the United States (other than Puerto Rico) may be counted, but only to a maximum of 15 percent of the appraised value of the imported article.

The cost or value of materials imported into a beneficiary country from a non-beneficiary country may be included in calculating the 35 percent value-added requirement for an eligible article if the materials are first substantially transformed into new and different articles of commerce and are then used as constituent materials in the production of the eligible article. The phrase "direct costs of processing operations"

includes costs directly incurred or reasonably allocated to the production of the article, such as the cost of actual labor, dies, molds, tooling, depreciation, research and development, inspection, and testing. Business overhead, administrative expenses, and profit, as well as general business expenses such as insurance, advertising, and salesmen's salaries, are not considered as direct costs of processing operations.

If advance tariff classification information is needed to ascertain whether or not your merchandise would be eligible for CBI duty-free treatment, you may obtain this information under the procedures previously discussed in chapter 9 relating to dutiable status.

Formal Entries–Evidence of Country of Origin

For commercial shipments requiring a formal entry, a claim for CBI duty-free treatment is made by showing on the entry summary that the country of origin is a designated beneficiary country and by inserting thereon the letter "E" as a prefix to the applicable tariff schedule item number. In addition, a properly completed Certificate of Origin Form A, as previously discussed in chapter 12 relating to the Generalized System of Preferences, must either be filed with the entry or furnished before liquidation or other final action on the entry, unless the district director waives production of the Form A; the words "Generalized System of Preferences" appearing on the front of the Form A must be replaced by the words "Caribbean Basin Initiative" for purposes of a CBI entry.

Normally, the Customs Service will accept a CBI entry at the free rate pending final liquidation if the Form A is presented at the time of entry. If the Form A is not available, and the district director does not waive its production, Customs will request that it be submitted.

The district director may require submission of more detailed information to support the statements made on the Form A. In addition, where necessary value is added to an article in the United States or Puerto Rico after final exportation of the article from a beneficiary country, a detailed declaration, prepared by the party responsible for the addition of such value, shall be filed in lieu of the Form A as evidence of country of origin. All submitted evidence of country of origin may be subject to such verification as the district director deems necessary.

Informal Entries

Although Certificates of Origin Form A are not required for merchandise covered by an informal entry, the district director may require such other evidence of the country of origin as he may deem necessary.

Sources of Additional Information

Customs rules and regulations on the CBI are incorporated in sections 10.191–10.198 of the Customs Regulations. Address any question you may have as to the administrative or operational aspects of the CBI to the director of the port or district where the merchandise will be entered or to the Director, Commercial Compliance Division, U.S. Customs Service, Washington, D.C. 20229.

14 u.s.-israel free trade area agreement

The United States-Israel Free Trade Area (FTA) agreement is a program providing for free or reduced rates of duty for merchandise from Israel to stimulate trade between the two countries. This program was authorized by the United States in the Tariff & Trade Act of 1984 and implemented by the United States-Israel Free Trade Area Implementation Act of 1985 and Presidential Proclamation 5365 of August 30, 1985. The FTA program became effective September 1, 1985, and has no termination date. On January 1, 1995, all currently eligible reduced rate importations from Israel will be accorded duty-free treatment.

Eligible items

The FTA relates to most tariff items listed in the Tariff Schedules of the United States Annotated (TSUSA). These items are identified by "I" in the "Special" column of the Tariff Schedules.

Formal entries

If a claim for duty-free or reduced duty rates is being made for commercial shipments of Israeli goods covered by a formal entry, the TSUSA item number must be prefixed with an "I" on the Customs Form 7501 or Customs Form 7505 Customs entry documents, as appropriate.

An article imported into the Customs territory of the United States is eligible for treatment as "Product of Israel" only if:

- That article is the growth, product or manufacture of Israel or is a new or different article of commerce that has been grown, produced or manufactured in Israel;
- That article is imported directly from Israel into the Customs territory of the United States;

- **The sum of: (1) The cost or value of the materials produced in Israel, plus (2) The direct costs of processing operations performed in Israel is not less than 35 percent of the appraised value of such article at the time it is entered. If the cost or value of materials produced in the Customs territory of the United States is included with respect to an eligible article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the 35 percent.**

No article may be considered to meet these requirements by virtue of having merely undergone:

- **Simple combining or packaging operation; or**
- **Mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.**

The phrase "direct costs of processing operations" includes, but is not limited to:

- **All actual labor costs involved in the growth, production, manufacture or assembly of the specific merchandise, including fringe benefits, on-the-job training and the costs of engineering, supervisory, quality control and similar personnel.**
- **Dies, molds, tooling and depreciation on machinery and equipment which are allocable to the specific merchandise.**

Direct costs of processing operations does not include costs which are not directly attributable to the merchandise concerned, or are not costs of manufacturing the product, such as (1) profit and (2) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising and salesmen's salaries, commissions or expenses.

Certificate of Origin Form A

The United Nations Conference on Trade and Development (UNCTAD) Certificate of Origin Form A will be used as documentary evidence to support duty-free and reduced rate claims for Israeli articles covered by a formal entry. The Form A can be obtained from the Israeli Generalized System of Preferences (GSP) authorized issuing authority, the commercial printers of this form listed or shown on page 24 of this booklet or the UNCTAD address shown on the same referenced page.

Informal entries

The Form A is not required for commercial or non-commercial shipments covered by an informal entry. However, the District Director may require such other evidence of the country of origin as deemed necessary. With regard to merchandise accompanying the traveler, it should be noted that in order to avoid delays to passengers the inspecting Customs officer will extend Israeli duty-free or reduced rate treatment to all eligible articles when satisfied, from the facts available, that the merchandise concerned is a product of Israel. A Form A is not required for the merchandise.

Sources of Additional Information

Address any question you may have as to the administrative or operational aspects of the FTA to the Director, Commercial Compliance Division, U.S. Customs Service, Washington, D.C. 20229. Requests for information concerning additions to or deletions from the list of eligible merchandise under the FTA should be directed to the Chairman, Trade Policy Staff Subcommittee, Office of U.S. Trade Representative, 600 17th St., N.W., Washington, D.C. 20506.

15 antidumping duty

The Tariff Act of 1930, as amended by the Trade Agreements Act of 1979, provides that when the Secretary of Commerce determines that a class or kind of foreign merchandise is being, or is likely to be, sold to purchasers in the United States at less than its fair value, he will advise the International Trade Commission. The ITC will then determine whether:

1. An industry in the United States is materially injured or is threatened with material injury, or
2. The establishment of an industry in the United States is materially retarded, by reason of the importation of that merchandise.

If the ITC determination is in the affirmative, the Secretary of Commerce makes public an antidumping duty order, and importations of the merchandise become subject to the assessment of special dumping duties. These duties are equal to the amount by which the foreign market value or constructed value exceeds the purchase price or exporter's sale price, as applicable.

Antidumping Duty Order

Antidumping duty orders are published in the Federal Register. An administrative review is conducted annually on each antidumping duty order. The review serves to determine the actual duties collectible for the period covered by the review. The results are used as a basis for establishing estimated duties to be collected during the coming year. An antidumping duty order remains in effect until revoked by the Secretary of Commerce.

Bases for Comparison

1. The determination as to whether merchandise is being sold to purchasers in the United States at less than fair value is ordinarily based upon a comparison between the net, f.o.b. factory price to a United States importer and the net, f.o.b. factory price to purchasers in the home market. If the sales to the United States are a c.i.f. delivered basis or an f.o.b. seaport basis, the necessary deductions are made in order to arrive at an f.o.b. factory price.

2. If such or similar merchandise is not sold in the home market, or if the amount sold in the home market is so small (normally less than 5 percent of the amount paid to third countries) as to be an inadequate basis for comparison, then comparison is made between the prices to the United States and prices for exportation to third countries.

3. If the merchandise is sold only to the United States or if the merchandise sold in the home market or to third countries is not sufficiently similar to the merchandise sold to the United States to furnish a satisfactory basis for comparison, then comparison is made between the price to the United States and the constructed value, as defined by the Trade Agreements Act of 1979. Constructed value is the sum of:

a. the cost of materials, labor, and fabrication;

b. the usual general expenses, such as factory and administrative overhead, and the usual profit realized in the manufacture of merchandise of the same general character; and

c. the cost of packing and other expenses incident to preparing the merchandise for shipment to the United States.

The statute provides that the amount added for general expenses must be at least 10 percent of the cost under item a and that the amount added for profit must be at least 8 percent of the sum of such costs and general expenses.

If a relationship exists between the shipper and the United States importer other than that of seller and buyer (for example, if the importer is the agent or subsidiary of the shipper), then comparison is made between the home consumption or third country price and the exporter's sales prices, which is the price at which the importer resells the merchandise in the United States, less (1) transportation costs and duty, (2) the amount of any selling commission and selling expenses in connection with the sale of the merchandise in the United States, and (3) any costs incurred from further processing performed on the imported merchandise before its resale.

In comparing prices to the United States with prices in the home market or to third countries, allowance is made for differences in price which are wholly or partly due to differences in the quantities sold or to differences in the circumstances of sale. The Commerce Regulations set forth a general rule which in the ordinary case would govern whether a particular quantity discount would be acceptable for the purpose of granting a quantity discount allowance.

Differences in circumstances of sale for which allowance will be made are limited, in general, to those circumstances which bear a direct relationship to the sales which are under consideration, such as differences in credit terms, guarantees, warranties, technical assistance, servicing, assumption by a seller of a purchaser's advertising or other selling costs, or commissions.

In making comparisons using exporters sales price, reasonable allowance will be made for actual selling expenses incurred in the home market up to the amount of the selling expenses incurred in the U.S. market. Allowance will generally not be made for differences in advertising or other selling costs, unless such costs are assumed on behalf of the purchasers; for example, advertising of a type designed to reach the purchasers', rather than the seller's, customers. Nor will allowance generally be made for differences

in production costs, except in those cases where the merchandise being compared is not identical. In this case, allowance will be based primarily on the differences in cost of manufacture but, when appropriate, the effect of such differences upon the market value of the merchandise may also be considered, if it is established that the amount of any price differential is wholly or partly due to such differences. Differences in costs of producing merchandise with identical physical characteristics as end products will not be allowed.

When comparing the purchase price paid by the United States importer (or the exporter's sales price) with the home consumption price, the amount of any tax which is imposed upon home market sales, or which is refunded because of exportation, is added to the purchase price (or exporter's sales price).

In most cases a shipper should be able to satisfy himself that he is not making sales to the United States at less than fair value by the simple expedient of comparing his net, f.o.b. factory prices to the United States with the net, f.o.b. factory prices in the home market or to third countries.

16 countervailing duty

The law relating to countervailing duties is concerned with payments or bestowals of bounties or grants on any articles or merchandise exported to the United States from a foreign country. The law applies whether the payment or bestowal is made by the foreign country or by any political subdivision thereof, or by any group, legal entity, or individual. The law applies whether the payment or bestowal is made upon the manufacture or production of the merchandise, or upon the exportation of the merchandise, and whether the payment or bestowal is made directly or indirectly.

The law applies to both dutiable and duty-free merchandise. The United States International Trade Commission makes a determination that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, with respect to all merchandise except dutiable merchandise from a country not under the agreement as defined in section 701(b) of the Tariff Act of 1930.

The imposition of the countervailing duty is directed whether the merchandise is imported directly from the country of production or otherwise, and whether the merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise.

The manner in which the bounty or grant is paid or bestowed does not affect or change the liability to imposition of countervailing duties.

The Secretary of Commerce is empowered to make all regulations necessary for identifying such article or merchandise and for assessing and collecting these additional duties. Once it has been established that a bounty or grant has been bestowed and a positive finding of injury has been made by the International Trade Commission (ITC), a countervailing duty order is issued by the Secretary of Commerce. A finding by the ITC is not required from a country not "under the agreement." The order describes the merchandise, designates the country or area in which it is produced or from which it is exported, and declares the ascertained or estimated amount of the bounty or grant or a rule for calculating or estimating such amount. The law states that the amount to be paid shall be an additional duty equal to the net amount of the bounty or grant estimated or ascertained. An administrative review is conducted annually on each countervailing duty order to redetermine the amount of any net subsidy for purposes of ascertaining the countervailing duty amount collectible. The order remains in effect until revoked by an order of the Secretary. Countervailing duty orders are published in the Federal Register.

17 drawback—refunds of duties

The term "duties" includes any internal revenue taxes that accrue upon importation. Generally, the exportation of imported duty-paid goods after release from Customs custody does not result in a refund of

duties. However, there are exceptions, the most common being a refund of 99 percent of duties (and taxes) paid on merchandise that is imported, subjected to manufacture or production and then exported, or exported, or destroyed in the same condition as imported. This refund is known as "drawback." This "manufacturing" drawback is so inclusive that one provision allows a refund on imported equipment and materials used to build vessels for a foreign account, even though the vessel is never exported in a legal sense. For further details, contact the nearest regional Customs Office.

A 99-percent refund of duties is also allowed for any imported merchandise found not to conform to sample or specification, or shipped without the consent of the consignee, if returned to Customs custody within 90 days of its release (unless an extension is granted) for examination and exportation under Customs supervision. **Although the foregoing "rejected merchandise" provision may still be used, the same refund may, in many cases, also be made when the merchandise is exported within 3 years of importation in the same condition as imported. Rejected merchandise must be exported and cannot be destroyed in lieu of such exportation.**

When certain products manufactured with the use of domestic alcohol are exported, a drawback of all internal revenue taxes paid on the domestic alcohol may be obtained.

Refunds of the entire amount of duties are made (1) when imported goods are exported from a bonded Customs warehouse, or (2) when imported goods are withdrawn from bonded facilities for supplies (including equipment) or maintenance or repair of vessels or aircraft, or (3) when imported goods found to be inadmissible are destroyed or exported under Customs supervision. In certain instances, if goods in a bonded Customs warehouse are abandoned to the Government, a refund of duties may be obtained.

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18 classification—liquidation

Classification

Classification and, when ad valorem rates of duty are applicable, appraisement are the two most important factors affecting dutiable status. Classifications and valuations, whether or not they are pertinent because an ad valorem rate of duty applies, must be provided by commercial importers when an entry is filed. In addition, classifications under the statistical suffixes of the tariff schedules also must be furnished even though this information is not pertinent to dutiable status. Accordingly, classification is initially the responsibility of an importer, customhouse broker or other person preparing the entry papers.

Familiarity with the organization of the Tariff Schedules of the United Statfes facilitates the classification process. (See chapter 9 of this booklet relating to dutiable status.) The tariff schedules are divided into various sub-schedules separately dealing with merchandise in broad product categories. These categories, for example, separately cover animal and vegetable products, products of various basic materials such as wood, textiles, ceramics and glass, and steel and other metal products in various stages of manufacture. Other schedules encompass chemicals, machinery, electrical equipment, and other specified or non-enumerated products. The last schedules, 8 and 9, cover certain exemptions from duty and special statutory provisions.

In schedules 1 through 7, products are classifiable (1) under items or descriptions which name them, known as an *eo nominee* provision, (2) under provisions of general description, (3) under provisions which identify them by component material in chief value or by component material quantity breakdowns, or (4) under provisions which encompass merchandise in accordance with its actual or chief use. When two or more provisions seem to cover the same merchandise, the prevailing provision is determined in accordance with the rules of construction in the headnotes at the beginning of and elsewhere in the tariff schedules. Also applicable are tariff classification principles contained in administrative precedents or in the case law of the U.S. Court of International Trade (formerly the U.S. Customs Court) or the U.S. Court of Appeals **for the Federal Circuit (formerly the U.S. Court of Customs and Patent Appeals.)**

Liquidation

Customs officers at the port of entry or other officials acting on behalf of the district director review the classifications and valuations, as well as other required import information, for correctness or as a proper basis for appraisement, as well as for agreement of the submitted data with the merchandise actually imported. The entry summary and documentation may be accepted as submitted without any changes. In this situation, the entry is liquidated as entered. Liquidation is the point at which the Customs Service's ascertainment of the rate of duty and amount of duty becomes final for most purposes. Liquidation is accomplished by posting a notice on a public bulletin board at the customhouse. However, an importer may receive an advance notice on Customs Form 4333A "Courtesy Notice" stating when and in what amount duty will be liquidated. This form is not the liquidation, and protest rights do not accrue until the notice is posted. Time limits for protesting do not start to run until the date of posting, and a protest cannot be filed before liquidation is posted.

The Customs Service may determine that an entry cannot be liquidated as entered for one reason or another. For example, the tariff classification may not be correct or may not be acceptable because it is not consistent with an established and uniform classification practice. If the change required by this determination results in a rate of duty more favorable to an importer, the entry is liquidated accordingly and a refund of the applicable amount of the deposited estimated duties is authorized. On the other hand, a change may be necessary which imposes a higher rate of duty. For example, a claim for an exemption from duty under a free-rate provision or under a conditional exemption may be found to be insufficient for lack of the required supporting documentation. In this situation the importer will be given an advance notice of the proposed duty rate advancement and an opportunity to validate the claim for a free-rate or more favorable rate of duty.

If the importer does not respond to the notice, or if the response is found to be without merit, duty is liquidated in accordance with the entry as corrected and the importer is billed for the additional duty. The port or district may find that the importer's response raises issues of such complexity that resolution by a Customs Headquarters decision through the internal advice procedure is warranted. Internal advice from Customs Headquarters may be requested by the local Customs officers on their own initiative or in response to a request by the importer.

Protests

After liquidation an importer may still pursue any claims for an adjustment or refund by filing a protest within 90 days after liquidation on Customs Form 19. In order to apply for a Headquarters ruling, a

request for further review must be filed with the protest. The same Form 19 can be used for this purpose. If filed separately, application for further review must still be filed within 90 days of liquidation. However, if a ruling on the question has previously been issued in response to a request for a decision on a prospective transaction or a request for internal advice, further review will ordinarily be denied. If a protest is denied, an importer has the right to litigate the matter by filing a summons with the U.S. Court of International Trade within 180 days after denial of the protest. The rules of the court and other applicable statutes and precedents determine the course of customs litigation.

While the Customs ascertainment of dutiable status is final for most purposes at the time of liquidation, a liquidation is not final until any protest which has been filed against it has been decided. Similarly, the administrative decision issued on a protest is not final until any litigation filed against it has become final.

Entries must be liquidated within one year of the date of entry unless the liquidation needs to be extended for another one-year period not to exceed a total of four years from the date of entry. The Customs Service will suspend liquidation of an entry when required by statute or court order. A suspension will remain in effect until the issue is resolved. Notifications of extensions and suspensions are given to importers, surety companies and customhouse brokers who are a party to the transaction.

19 conversion of currency

The conversion of foreign currency for Customs purposes must be made in accordance with the provisions of section 522, Tariff Act of 1930, as amended. This section states that Customs is to use rates of exchange determined and certified by the Federal Reserve Bank of New York. These certified rates are based on the New York market buying rates for the foreign currencies involved.

In the case of widely used currencies, rates of exchange are certified each day. The rates certified on the first business day of each calendar quarter are used throughout the quarter except on days when fluctuations of 5 percent or greater occur, in which case the actual certified rates for those days are used. For infrequently used currencies, the Federal Reserve Bank of New York certifies rates of exchange upon request by Customs. The rates certified are only for the currencies and dates requested.

For Customs purposes, the date of exportation of the goods is the date used to determine the applicable certified rate of exchange. This remains true even though a different rate may have been used in payment of the goods. Information as to the applicable rate of exchange in converting currency for customs purposes in the case of a given shipment may be obtained from a district or port director of Customs.

20 transaction value

U.S. Customs officers are required by law to determine the value for imported merchandise. The valuation provisions of the Tariff Act of 1930 are found in section 402, as amended by the Trade Agreements Act of 1979. Pertinent portions are reproduced in the appendix.

Generally, the customs value of all merchandise, exported to the United States on or after July 1, 1980, will be the transaction value for the goods. If the transaction value cannot be used, then certain secondary bases are considered. The secondary bases of value, listed in order of precedence for use, are:

Transaction value of identical merchandise,
Transaction value of similar merchandise,
Deductive value, and
Computed value.

The order of precedence of the last two values can be reversed if the importer so requests. These secondary bases are discussed in the next two chapters.

Transaction Value

The transaction value of imported merchandise is the price actually paid or payable for the merchandise when sold for exportation to the United States, plus amounts for the following items if not included in the price:

1. The packing costs incurred by the buyer.
2. Any selling commission incurred by the buyer.
3. The value of any assist.
4. Any royalty or license fee that the buyer is required to pay as a condition of the sale.
5. The proceeds, accruing to the seller, of any subsequent resale, disposal, or use of the imported merchandise.

The amounts for the above items are added only to the extent that each is not included in the price actually paid or payable and information is available to establish the accuracy of the amount. If sufficient information is not available, then the transaction value cannot be determined and the next basis of value, in order of precedence, must be considered for appraisement. A discussion of these added items follows:

Packing costs consist of the cost incurred by the buyer for all containers and coverings of whatever nature and for the labor and materials used in packing the imported merchandise, ready for export.

Any selling commission incurred by the buyer with respect to the imported merchandise constitutes part of the transaction value. Buying commissions do not. A selling commission means any commission paid to the seller's agent, who is related to or controlled by, or works for or on behalf of, the manufacturer or the seller.

The apportioned vlaue of any assist constitutes part of the transaction value of the imported merchandise. First the value of the assist is determined; then the value is prorated to the imported merchandise.

Assists. An assist is any of the items listed below that the buyer of imported merchandise provides, directly or indirectly, free of charge or at a reduced cost, for use in the production of or the sale of merchandise for export to the United States.

Materials, components, parts, and similar items incorporated in the imported merchandise.

Tools, dies, molds, and similar items used in producing the imported merchandise.

Merchandise consumed in producing the imported merchandise.

Engineering, development, artwork, design work, and plans and sketches that are undertaken outside the United States. "Engineering . . .," will not be treated as an assist if the service or work is (1) performed by a person domiciled within the United States, (2) performed while that person is acting as an employee or agent of the buyer of the imported merchandise, and (3) incidental to other engineering, development, artwork, design work, or plans or sketches undertaken within the United States.

Value. In determining the value of an assist, the following rules apply:

1. The value is either (a) the cost of acquiring the assist, if acquired by the importer from an unrelated seller, or (b) the cost of producing the assist, if produced by the importer or a person related to the importer.
2. The value includes the cost of transporting the assist to the place of production.
3. The value of assists used in producing the imported merchandise is adjusted to reflect use, repairs, modifications, or other factors affecting the value of the assists. Assists of this type include such items as tools, dies, and molds.

   For example, if the importer previously used the assist, regardless of whether he acquired or produced it, the original cost of acquisition or of production must be decreased to reflect the use. Alternatively, repairs and modifications may result in the value of the assist having to be adjusted upward.
4. In the case of engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the United States, the value is (a) the cost of obtaining copies of the assist, if the assist is available in the public domain; (b) the cost of the purchase or of the lease, if the assist was bought or leased by the buyer from an unrelated person; (c) the value added outside the United States, if the assist was produced in the United States and one or more foreign countries.

So far as possible, the buyer's commercial record system will be used to determine the value of an assist, especially such assists as engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the United States.

Apportionment. Having determined the value of an assist, the next step is to prorate that value to the imported merchandise. The apportionment is done reasonably and according to generally accepted accounting principles. By the latter is meant any generally recognized consensus or substantial authoritative support regarding the recording and measuring of assets and liabilities and changes therein, the disclosing of information, and the preparing of financial statements.

Royalty or license fees that a buyer must pay, directly or indirectly, as a condition of the sale of the imported merchandise for exportation to the United States will be included in the transaction value. Ultimately, whether a royalty or license fee is dutiable will depend on whether the buyer had to pay it as a condition of the sale and to whom and under what circumstances it was paid. The dutiability status will have to be decided on a case-by-case basis.

Charges for the right to reproduce the imported goods in the United States are not dutiable. This right applies only to the following types of merchandise:

Originals or copies of artistic or scientific works.

Originals or copies of models and industrial drawings.

Model machines and prototypes.

Plant and animal species.

Any proceeds resulting from the subsequent resale, disposal, or use of the imported merchandise that accrue, directly or indirectly, to the seller are dutiable. These proceeds are added to the price actually paid or payable, if not otherwise included.

The price actually paid or payable for the imported merchandise is the total payment, excluding international freight, insurance, and other c.i.f. charges, that the buyer makes to the seller. This payment may be direct or indirect. Some examples of an indirect payment are when the buyer settles all or part of a debt owed by the seller, or when the seller reduces the price on a current importation to settle a debt he owes the buyer. Such indirect payments are part of the transaction value.

However, if a buyer performs an activity on his own account, other than those which may be included in the transaction value, then the activity is not considered an indirect payment to the seller and is not part of the transaction value. This applies even though the buyer's activity might be regarded as benefiting the seller; for example, advertising.

Exclusions

The amounts to be disregarded in determining transaction value are as follows:

1. The cost, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the goods from the country of exportation to the place of importation in the United States.
2. Any decrease in the price actually paid or payable that is made or effected between the buyer and seller *after the date of importation* of the goods into the United States.
3. Any reasonable cost or charge incurred for:

   constructing, erecting, assembling, maintaining, or providing technical assistance with respect to the goods after importation into the United States, or

   Transporting the goods after importation.
4. The customs duties and other Federal taxes, including any Federal excise tax for which sellers in the United States are ordinarily liable.

Note: Foreign inland freight and related charges in item 1 (see part 152, Customs Regulations), as well as items 3 and 4 above, must be identified separately.

Limitations

The transaction value of imported merchandise is the appraised value of that merchandise, provided certain limitations do not exist. If any of these limitations are present, then transaction value cannot be used as the appraised value, and the next basis of value will be considered. The limitations can be divided into four groups:

1. Restrictions on the disposition or use of the merchandise.
2. Conditions for which a value cannot be determined.
3. Proceeds of any subsequent resale, disposal or use of the merchandise, accruing to the seller, for which an appropriate adjustment to transaction value cannot be made.
4. Related-party transactions where the transaction value is not acceptable.

The term "acceptable" means that the relationship between the buyer and seller did not influence the price actually paid or payable. Examining the circumstances of the sale will help make this determination.

Alternatively, "acceptable" can also mean that the transaction value of the imported merchandise closely approximates one of the following test values, provided these values relate to merchandise exported to the United States at or about the same time as the imported merchandise:

1. The transaction value of identical merchandise or of similar merchandise in sales to unrelated buyers in the United States.
2. The deductive value or computed value for identical merchandise or similar merchandise.

The test values are used for comparison only. They do not form a substitute basis of valuation.

In determining if the transaction value is close to one of the foregoing test values, an adjustment is made if the sales involved differ in:

Commercial levels,

Quantity levels,

The costs, commission, values, fees, and proceeds added to the transaction value (price paid) if not included in the price, and

The costs incurred by the seller in sales in which he and the buyer are not related that are not incurred by the seller in sales in which he and the buyer are related.

As stated, the test values are alternatives to the relationship criterion. If one of the test values is met, it is not necessary to examine the question of whether the relationship influenced the price.

21 transaction value of identical merchandise or similar merchandise

When the transaction value cannot be determined, then the customs value of the imported goods being appraised is the transaction value of identical merchandise. If merchandise identical to the imported goods cannot be found or an acceptable transaction value for such merchandise does not exist, then the customs value is the transaction value of similar merchandise. The above value would be previously accepted customs values.

Besides the data common to all three transaction values, certain factors specifically apply to the transaction value of identical merchandise or similar merchandise. These factors concern (1) the exportation date, (2) the level and quantity of sales, (3) the meaning, and (4) the order of precedence of identical merchandise and of similar merchandise.

Exportation Date. The identical (similar) merchandise for which a value is being determined must have been sold for export to the United States and exported at or about the same time as the merchandise being appraised.

Sales Level/Quantity. The transaction value of identical (similar) merchandise must be based on sales of identical (similar) merchandise at the same commercial level and in substantially the same quantity as the sale of the merchandise being appraised. If no such sale exists, then sales at either a different commercial level or in different quantities, or both, can be used but must be adjusted to take account of any such

difference. Any adjustment must be based on sufficient information, that is, information establishing the reasonableness and accuracy of the adjustment.

Meanings. The term "identical merchandise" means merchandise that is—

Identical in all respects to the merchandise being appraised,

produced in the same country as the merchandise being appraised, and

produced by the same person as the merchandise being appraised.

If the merchandise meeting all three criteria cannot be found, then identical merchandise is merchandise satisfying the first two criteria but produced by a different person than the merchandise being appraised.

Note: Merchandise can be identical to the merchandise being appraised and still show minor differences in appearance.

Exclusion: Identical merchandise does not include merchandise that incorporates or reflects engineering, development, artwork, design work, and plans and sketches provided free or at reduced cost by the buyer and undertaken in the United States.

The term "similar merchandise" means merchandise that is—

Produced in the same country and by the same person as the merchandise being appraised,

like the merchandise being appraised in characteristics and component materials, and

commercially interchangeable with the merchandise being appraised.

If merchandise meeting the foregoing criteria cannot be found, then similar merchandise is merchandise having the same country of production, like characteristics and component materials, and commercial interchangeability but produced by a different person.

In determining whether goods are similar, some of the factors to be considered are the quality of the goods, their reputation, and existence of a trademark.

Exclusion: Similar merchandise does not include merchandise that incorporates or reflects engineering, development, artwork, design work, and plans and sketches provided free or at reduced cost by the buyer and undertaken in the United States.

Order of Precedence. It is possible that two or more transaction values for identical (similar) merchandise will be determined. In such a case, the lowest value will be used as the appraised value of the imported merchandise.

22 other bases

Deductive Value

If the transaction value of imported merchandise, of identical merchandise, or of similar merchandise cannot be determined, then deductive value is calculated for the merchandise being appraised. Deductive value is the next basis of appraisement at the time the entry summary is filed, to be used, unless the importer designates computed value as the preferred method of appraisement. If computed value was chosen and subsequently determined not to exist for customs valuation purposes, then the basis of appraisement reverts to deductive value.

If an assist is involved in a sale, that sale cannot be used in determining deductive value. So any sale to a person who supplies an assist for use in connection with the production or sale for export of the merchandise concerned is disregarded for purposes of determining deductive value.

Basically, deductive value is the resale price in the United States after importation of the goods, with deductions for certain items. In discussing deductive value, the term "merchandise concerned" is used. The term means the merchandise being appraised, identical merchandise, or similar merchandise. Generally, the deductive value is calculated by starting with a unit price and making certain additions to and deductions from that price.

Unit Price. One of three prices constitutes the unit price in deductive value. The price used depends on when and in what condition the merchandise concerned is sold in the United States.

1. Time and Condition: The merchandise is *sold in the condition* as imported *at or about the date of importation* of the merchandise being appraised.

   Price: The price used is the unit price at which the greatest aggregate quantity of the merchandise concerned is sold at or about date of importation.

2. Time and Condition: The merchandise concerned is *sold in the condition as imported but not sold at or about the date of importation* of the merchandise being appraised.

   Price: The price used is the unit price at which the greatest aggregate quantity of the merchandise concerned is sold after the date of importation of the merchandise being appraised but before the close of the 90th day after the date of importation.

3. Time and Condition: The merchandise concerned is *not sold in the condition* as imported and *not sold before the close of the 90th day* after the date of importation of the merchandise being appraised.

   Price: The price used is the unit price at which the greatest aggregate quantity of the merchandise being appraised, after further processing, is sold before the 180th day after the date of importation.

This third price is also known as the "further processing price" or "superdeductive."

Additions. Packing costs for the merchandise concerned are added to the price used for deductive value, provided these costs have not otherwise been included. These costs are added regardless of whether the importer or the buyer incurs the cost. Packing costs means the cost of:

1. All containers and coverings of whatever nature; and
2. Packing, whether for labor or materials, used in placing the merchandise in condition, packed ready for shipment to the United States.

Deductions. Certain items are not part of deductive value and must be deducted from the unit price. These items are as follows:

1. Commissions or Profit and General Expenses. Any commission usually paid or agreed to be paid, or the addition usually made for profit and general expenses, applicable to sales in the United States of imported merchandise that is of the same class or kind as the merchandise concerned, regardless of the country of exportation.
2. Transportation/Insurance Costs. The usual and associated costs of transporting and insuring the merchandise concerned from (a) the country of exportation to the place of importation in the United States and (b) the place of importation to the place of delivery in the United States, provided these costs are not included as a general expense under the preceding item 1.

3. Customs Duties/Federal Taxes. The customs duties and other Federal taxes payable on the merchandise concerned because of its importation plus any Federal excise tax on, or measured by the value of, such merchandise for which sellers in the United States are ordinarily liable.
4. Value of Further Processing. The value added by the processing of the merchandise after importation, provided sufficient information exists concerning the cost of processing. The price determined for deductive value is reduced by the value of further processing only if the third unit price (the superdeductive) is used as deductive value.

Superdeductive. The importer has the option to ask that deductive value be based on the further-processing price. If the importer makes that choice, certain facts concerning valuing the further-processing method, termed "superdeductive," must be followed.

Under the superdeductive, the merchandise concerned is not sold in the condition as imported and not sold before the close of the 90th day after the date of importation but is sold before the 180th day after the date of importation.

Under this method, an amount equal to the value of the further processing must be deducted from the unit price in determining deductive value. The amount so deducted must be based on objective and quantifiable data concerning the cost of such work as well as any spoilage, waste or scrap derived from that work. Items such as accepted industry formulas, methods of construction, and industry practices could be used as a basis for calculating the amount to be deducted.

Generally, the superdeductive method cannot be used if the further processing destroys the identity of the goods. Such situations will be decided on a case-by-case basis for the following reasons:

1. Sometimes, even though the identify of the goods is lost, the value added by the processing can be determined accurately without unreasonable difficulty for importers or for the Customs Service.
2. In some cases, the imported goods still keep their identity after processing but form only a minor part of the goods sold in the United States. In such cases, using the superdeductive method to value the imported goods will not be justified.

The superdeductive method cannot be used if the merchandise concerned is sold in the condition as imported before the close of the 90th day after the date of importation of the merchandise being appraised.

Computed Value

The last basis of appraisement is computed value. If customs valuation cannot be based on any of the values previously discussed, then computed value is considered. This value is also the one the importer can select to precede deductive value as a basis of appraisement.

Computed value consists of the sum of the following items:

1. Materials, fabrication, and other processing used in producing the imported merchandise.
2. Profit and general expenses.
3. Any assist, if not included in items 1 and 2.
4. Packing costs.

Materials, Fabrication, and Other Processing. The cost or value of the materials, fabrication, and other processing of any kind used in producing the imported merchandise is based on (a) information provided by or on behalf of the producer and (b) the commercial accounts of the producer if the accounts are consistent with generally accepted accounting principles applied in the country of production of the goods.

Note: If the country of exportation imposes an internal tax on the materials or their disposition and refunds the tax when merchandise produced from the materials is exported, then the amount of the internal tax is not included as part of the cost or value of the materials.

Profit and General Expenses. The producer's profit and general expenses are used, provided they are consistent with the usual profit and general expenses reflected by producers in the country of exportation in sales of merchandise of the same class or kind as the imported merchandise. Some facts concerning the amount for profit and general expenses should be mentioned.

1. The amount is determined by information supplied by the producer and is based on his commercial accounts, provided such accounts are consistent with generally accepted accounting principles in the country of production.

Note: As a point of contrast, for deductive value the generally accepted accounting principles used are those in the United States, whereas in computed value the generally accepted accounting principles are those in the country of production.

2. The producer's profit and general expenses must be consistent with those usually reflected in sales of goods of the same class or kind as the imported merchandise that are made by producers in the country of exportation for export to the United States. If they are not consistent, then the amount for profit and general expenses is based on the usual profit and general expenses of such producers.

3. The amount for profit and general expenses is taken as a whole. This is the same treatment as occurs in deductive value.

Basically, a producer's profit could be low and his general expenses high, so that the total amount is consistent with that usually reflected in sales of goods of the same class or kind. In such a situation, a producer's actual profit figures, even if low, will be used provided he has valid commercial reasons to justify them and his pricing policy reflects usual pricing policies in the industry concerned.

Assists. If the value of an assist used in producing the merchandise is not included as part of the producer's materials, fabrication, other processing, or general expenses, then the prorated value of the assist will be included in computed value. It is important that the value of the assist is not included elsewhere because no component of computed value should be counted more than once in determining computed value.

Note: The value of any engineering, development, artwork, design work, and plans and sketches undertaken in the United States is included in computed value only to the extent that such value has been charged to the producer.

Packing Costs. The cost of all containers and coverings of whatever nature, and of packing, whether for labor or material, used in placing merchandise in condition and packed ready for shipment to the United States is included in computed value.

Under computed value, "merchandise of the same class or kind" must be imported from the same country as the merchandise being appraised and must be within a group or range of goods produced by a particular industry or industry sector. Whether certain merchandise is of the same class or kind as other merchandise will be determined on a case-by-case basis.

In determining usual profit and general expenses, sales for export to the United States of the narrowest group or range of merchandise that includes the merchandise being appraised will be examined, providing the necessary information can be obtained.

Note: As a point of contrast, under deductive value, "merchandise of the same class or kind" includes merchandise imported from other countries besides the country from which the merchandise being appraised was imported. Under computed value, "Merchandise of the same class or kind" is limited to merchandise imported from the same country as the merchandise being appraised.

Value If Other Values Cannot Be Determined

If none of the previous five values can be used to appraise the imported merchandise, then the customs value must be based on a value derived from one of the five previous methods, reasonably adjusted as necessary. The value so determined should be based, to the greatest extent possible, on previously determined values. Only data available in the United States will be used.

Some examples of how the other methods can be reasonably adjusted are:

1. Identical Merchandise (or Similar Merchandise):

   a. The requirement that the identical merchandise (or similar merchandise) should be exported at or about the same time as the merchandise being appraised could be flexibly interpreted.

b. Identical imported merchandise (or similar imported merchandise) produced in a country other than the country of exportation of the merchandise being appraised could be the basis for customs valuation.

c. Customs values of identical imported merchandise (or similar imported merchandise) already determined on the basis of deductive value and computed value could be used.

2. Deductive Method: The 90-day requirement could be administered flexibly.

23 marking: country of origin

The United States customs laws require each imported article produced abroad to be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article permits, with the English name of the country of origin, to indicate to the ultimate purchaser in the United States the name of the country in which the article was manufactured or produced. Articles which are otherwise specifically exempted from individual marking are an exception to this rule. Certain articles may require special marking.

Marking Required

If the article (or the container when the container and not the article must be marked) is not properly marked at the time of importation, a marking duty equal to 10 percent of the customs value of the article will be assessed unless the article is exported, destroyed, or properly marked under Customs supervision before the liquidation of the entry concerned.

It is not feasible to state who will be the "ultimate purchaser" in every circumstance. Broadly stated, an "ultimate purchaser" may be defined as the last person in the United States who will receive the article in the form in which it was imported. Generally, if an imported article will be used in manufacture, the manufacturer is the ultimate purchaser. If an article is to be sold at retail in its imported form, the purchaser at retail is the ultimate purchaser. A person who subjects an imported article to a process which results in a substantial transformation of the article is the ultimate purchaser, but if the process is merely a minor one which leaves the identity of the imported article intact, the processor of the article will not be regarded as the ultimate purchaser.

When an article (or its container) is required to be marked to indicate the country of origin of the article, the marking is sufficiently permanent if it will remain on the article (or its container) until it reaches the ultimate purchaser.

When an article is of a kind which is usually combined with another article subsequent to importation but before delivery to an ultimate purchaser, and the name indicating the country of origin of the article appears in a place on the article so that the name will be visible after such combining, the marking shall include, in addition to the name of the country of origin, words or symbols which clearly show that the origin indicated is that of the imported article only and not that of any other article with which the imported article may be combined after importation. For example, if marked bottles, drums, or other containers are imported empty, to be filled in the United States, they shall be marked with such words as "Bottle (or drum or container) made in (name of country)." Labels and similar articles so marked that the name of the country of origin of the article is visible after it is affixed to another article in this country shall be marked with additional descriptive words such as "label made (or printed) in (name of country)" or words of similar import.

Words or symbols in addition to the country of origin need not appear on articles of a kind which are so substantially changed in the United States that the articles in their changed condition become products of the United States.

If marked articles are to be repacked in the United States after release from Customs custody, importers must certify on entry that they will not obscure the marking on properly marked articles if the article is repacked or that they will mark the repacked container. If the importers do not repack, but resell to repackers, importers must notify the repackers of the marking requirements. Failure to comply with the certification requirements may subject importers to penalties and/or additional duties.

Marking Not Required

The following articles and classes or kinds of articles are not required to be marked to indicate the country of their origin, i.e., the country in which they were grown, manufactured, or produced. However, the outermost containers in which these articles ordinarily reach the ultimate purchaser in the United States must be marked to indicate the English name of the country of origin of the articles.

Art, works of.
Articles classified in items 850.40, 850.70, 851.30, and 853.30, TSUS.
Articles entered in good faith as antiques and rejected as unauthentic.
Bagging, waste.
Bags, jute.
Bands, steel.
Beads, unstrung.
Bearings, ball, 5/8-inch or less in diameter.
Blanks, metal, to be plated.
Bodies, harvest hat.
Bolts, nuts, and washers.
Briarwood, in blocks.
Briquettes, coal or coke.
Buckles, 1 inch or less in greatest dimension.
Burlap.
Buttons.
Cards, playing.
Cellophane and celluloid in sheets, bands, or strips.
Chemicals, drugs, medicinal, and similar substances, when imported in capsules, pills tablets, lozenges, or troches.
Cigars and cigarettes.
Covers, straw bottle.
Dies, diamond wire, unmounted.
Dowels, wooden.
Effects, theatrical.
Eggs.
Feathers.
Firewood.
Flooring, not further manufactured than planed, tongued and grooved.
Flowers, artificial, except bunches.
Flowers, cut.
Glass, cut to shape and size for use in clocks, hand pocket, and purse mirrors, and other glass of similar shapes and sizes, not including lenses or watch crystals.
Glides, furniture, except glides with prongs.
Hairnets.
Hides, raw.
Hooks, fish (except snelled fish hooks).
Hoops (wood), barrel.
Laths.
Leather, except finished.
Livestock.
Lumber, sawed.
Metal bars except concrete reinforcement bars, billets, blocks, blooms, ingots, pigs, plates, sheets, except galvanized sheets, shafting, slabs, and metal in similar forms.
Mica not further manufactured than cut or stamped to dimensions, shape, or form.
Monuments
Nails, spikes, and staples.
Natural products, such as vegetables, fruit, nuts, berries, and live or dead animals, fish and birds; all the foregoing which are in their natural state or not advanced in any manner further than is necessary for their safe transportation.
Nets, bottle wire.
Paper, newsprint.
Paper, stencil.
Paper, stock.
Parchment and vellum.
Parts for machines imported from same country as parts.
Pickets (wood).
Pins, tuning.
Plants, shrubs, and other nursery stock.
Plugs, tie.
Poles, bamboo.
Posts (wood), fence.
Pulpwood.
Rags (including wiping rags).
Railway materials described in items 610.20 through 610.26, TSUS.
Ribbon.
Rivets.
Rope, including wire rope, cordage, cords, twines, threads, and yarns.
Scrap and waste.
Screws.
Shims, track.
Shingles (wood), bundles of, except bundles of red-cedar shingles.
Skins, fur, dressed or dyed.
Skins, raw fur.
Sponges.
Springs, watch.
Stamps, postage and revenue, and other articles covered in item 274.40, TSUS.
Staves (wood), barrel.
Steel, hoop.
Sugar, maple.
Ties (wood), railroad.
Tiles, not over 1 inch in greatest dimension.
Timbers, sawed.
Tips, penholder.
Trees, Christmas.
Weights, analytical and precision, in sets.
Wicking, candle.
Wire, except barbed.

Unless an article being shipped to the United States is specifically named in the foregoing list, it would be advisable for an exporter to obtain advice from U.S. Customs before concluding that it is exempted from marking.

If articles on the foregoing list are repackaged in the United States, the new packages must be labeled to indicate the country of origin of the articles contained therein. Importers must certify on entry that, if they repackage, they will properly mark the repackaged containers; if they do not repackage, but resell to repackagers, notification of the marking requirements will be given to such repackagers. **Failure to comply with the certification requirements may subject importers to penalties and marking duties.**

Other Exemptions

There are exemptions from marking to indicate the country of origin in the case of articles which are to be used or disposed of in a specified manner after arrival in the United States. When an article is covered

by one of the three following classes of exemptions, the usual container in which it is imported will also be exempted from marking under the custom laws to indicate country of origin.

1. An article imported for use by the importer and not intended for sale in its imported or any other form.

2. An article which is to be processed in the United States by the importer or for his account otherwise than for the purpose of concealing the origin of the article and in such manner that any mark of origin would necessarily be obliterated, destroyed, or permanently concealed.

3. An article with respect to which an ultimate purchaser in the United States, by reason of the character of the article, or by reason of the circumstances of its importation, must necessarily know the country of origin even though the article is not marked to indicate its origin. The clearest application of this exemption is when the contract between the ultimate purchaser in the United States and the supplier abroad insures that the order will be filled only with articles grown, manufactured, or produced in a named country.

The following classes of articles are also exempted from marking to indicate the country of their origin:

1. Articles that are incapable of being marked.
2. Articles that cannot be marked prior to shipment to the United States without injury.
3. Articles that cannot be marked prior to shipment to the United States, except at an expense economically prohibitive of their importation.
4. Crude substances.
5. Articles produced more than 20 years prior to their importation into the United States.
6. Articles entered or withdrawn from warehouse for immediate exportation or for transportation and exportation.

Although such articles are exempted from marking to indicate the country of their origin, the outermost containers in which the articles will ordinarily reach the ultimate purchaser in the United States must be marked to show the country of origin of such articles.

When the marking of the container of an article will reasonably indicate the country of origin of the article, the article itself may be exempt from such marking. This exemption applies only when the articles will reach the ultimate purchaser in an unopened container. For example, articles which reach the retail purchaser in sealed containers marked clearly to indicate the country of origin come within this exception. Materials to be used in building or manufacture by the builder or manufacturer who will receive the materials in unopened cases likewise come within the exemption.

7. Products of American fisheries which are free of duty.
8. Products of possessions of the United States.
9. Products of the United States exported and returned.
10. Articles valued at not more than $5 which are passed without entry.

24 special marking requirements

The Country of Origin marking requirements are separate and apart from any special marking or labeling required on specific products by other agencies. It is recommended that the specific agency be contacted for any special marking or labeling requirements.

Special marking or labeling requirements for wood, textile, and fur products are set forth in chapter 25 and for containers of alcoholic beverages, chapter 26.

Schedule 6, Part 2, Subpart E and Part 5

Iron and steel pipes and fittings, manhole rings or frames, compressed gas cylinders, and manhole covers must be marked by one of four methods: die-stamping, cast-in-mold lettering, etching (acid or electrolytic) or engraving.

The following articles, grouped as they appear in the Tariff Schedules of the United States Annotated, shall be marked legibly and conspicuously to indicate their origin by die-stamping, cast-in-the-mold lettering, etching (acid or electrolytic), engraving, or by means of metal plates which bear the prescribed marking and which are securely attached to the article in a conspicuous place by welding, screws, or rivets.

Schedule 6, Part 3, Subpart E

Penknives, pocketknives, clasp knives, pruning knives, grafting knives, budding knives, erasers, manicure knives, and all knives by whatever name known, which have folding or other than fixed blades or attachments. Blades, handles, or other parts of any of the foregoing knives or erasers.

Cuticle knives, cuticle pushers, corn knives, nail files, nail cleaners, tweezers, manicure or pedicure nippers, and parts thereof, finished or unfinished, by whatever name known. Sewing sets and pedicure and manicure sets.

Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all of the foregoing, finished or unfinished. Pumps and certain elevators, centrifuges, filtering and purifying machinery.

Nail, barbers', and animal clippers, pruning and sheep shears, and all other shears, and blades for the same, finished or unfinished, tin snips, forks, spoons and ladles, shavers and hair clippers, certain furnaces and heating equipment, ovens; electric discharge blades.

Safety razors, and safety-razor handles and frames.

Lamps.

Razors and parts thereof, finished or unfinished.

Slip joint pliers.

Other pliers, pincers, and nippers, and hinged hand tools for holding and splicing wire, finished or unfinished.

Schedule 7, Part 2, Subpart A

Electron, proton, and similar microscopes and diffraction apparatus, and certain frames and mountings.

Schedule 7, Part 2, Subpart B

Surgical and dental instruments, and parts thereof, including hypodermic needles, syringes, and forceps, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum or other metal, finished or unfinished. Electro-medical apparatus and parts thereof, dental burs, needles, and dental instruments. Bone and joint prostheses.

Schedule 7, Part 2, Subpart C

Scientific and laboratory instruments, apparatus, utensils, appliances (including surveying, hydrographic, and mathematical instruments), and parts thereof, wholly or in chief value of metal, and not plated with gold, silver, or platinum, finished or unfinished. Photogrammetrical, hydrographic, navigational, meteorological, hydrological, and geophysical instruments and parts thereof.

Drawing instruments, and parts thereof, wholly or in chief value of metal, lettering pens. Stationary seismographs and parts thereof.

Schedule 7, Part 2, Subpart D

Balances and weights thereof, machines for determining the strength of materials under compression, tension, torsion or shearing stress, and parts thereof. Non-optical pyrometers. Aneroid barometers. Instruments for pressuring or checking quantities of heat, light, sound or liquids. Certain electrical instruments. Seismographs.

Schedule 7, Part 2, Subpart E

Watch movements are required to be marked on one or more of the bridges or top plates to show (1) the name of the country of manufacturer, (2) the name of the manufacturer or purchaser, (3) in words, the number of jewels, if any, serving a mechanical purpose as frictional bearings, and (4) in words, the number of classes of adjustments, or, if unadjusted, the word "unadjusted."

Clock movements shall be marked on the most visible part of the front or back plate to show (1) the

name of the country of manufacture, (2) the name of the manufacturer or purchaser, and (3) the number of jewels, if any.

Watch cases shall be marked on the inside or outside of the back cover to show (1) the name of the country of manufacturer, and (2) the name of the manufacturer or purchaser.

Clock cases and other cases provided for in Subpart E are required to be marked on the most visible part of the outside of the back to show the name of the country of manufacture.

Dials are required to be marked to show the name of the country of manufacture.

The term "watch movement" means a time-piece movement measuring less than 1.77 inches in width and less than 0.50 inch in thickness. The term "clock movement" means any movement or mechanism, other than watch movements as defined above, intended or suitable for measuring time. The term "cases" embraces inner and outer cases, containers, and housings for movements, together with parts or pieces, such as, but not limited to, rings, feet, posts, bases, and outer frames, and any auxiliary or incidental features, which (with appropriate movements) serve to complete the watches, clocks, time switches, and other apparatus provided for in schedule 7, part 2E.

Articles required to be marked in accordance with the special marking requirements in schedule 7, part 2E, must be conspicuously and indelibly marked by cutting, diesinking, engraving, or stamping. Articles required to be so marked shall be denied entry unless marked in exact conformity with these requirements.

Solid state electronic time-pieces and modules not classified under schedule 7, part 2E, are not subject to the special marking requirements. These items only need be marked with the marking requirements of 19 USC 1304.

Schedule 7, Part 3, Subpart B

Metronomes, pitch pipes, tuning forks and tuning hammers.

Schedule 7, Part 13, Subpart A

All thermostatic bottles, carafes, jars, jugs, and other thermostatic containers, or blanks and pistons of such articles, of whatever material composed, constructed with a vacuous or partially vacuous insulation space to maintain the temperature of the contents, whether imported, finished or unfinished, with or without a jacket or casing of metal or other material.

Parts of any of the foregoing not including those above mentioned.

25 marking inducing false impression

Section 42 of the Trade-Mark Act of 1946 (15 U.S.C. 1124) provides, among other things, that no imported article of foreign origin which bears a name or mark calculated to induce the public to believe that it was manufactured in the United States, or in any foreign country or locality other than the country or locality in which it was in fact manufactured, shall be admitted to entry at any customhouse in the United States.

In general, the words "United States," the letters "U.S.A.," or the name of any city or locality in the United States appearing on an imported article of foreign origin, or on the containers thereof, are deemed to be calculated to induce the public to believe that the article was manufactured in the United States unless the name to indicate the country of origin appears in proximity to the name which indicates a domestic origin.

An imported article bearing a name or mark prohibited by section 42 of the Trade-Mark Act is subject to seizure and forfeiture. However, upon the filing of a petition by the importer prior to final disposition of the article, the district or port director of Customs may release it upon the condition that the prohibited marking be removed or obliterated or that the article and containers be properly marked; or the district or port director may permit the article to be exported or destroyed under Customs supervision and without expense to the Government.

In accordance with the usual custom in the printing and publishing trade, when an imported book, bound or unbound, printed in a foreign country bears on the title page the name and address of the importer, consignee, or publisher in the United States, or the name of any country or locality other than the one in which the book was actually printed, it is sufficient for the purposes of the above mentioned provisions of section 42 of the Trade-Mark Act if the words "Printed in," followed by the name of the country of origin; the words "Printed by," followed by the name and adddress of the foreign printer and the name of the country of origin, or words of similar significance appear on the front or back of the title page, or on the inside or outside of the cover, provided the marking is not covered by a dust cover or jacket, or on a page near the front or back of the book.

Section 43 of the Trade-Mark Act of 1946 (15 U.S.C. 1125) prohibits the entry of goods marked or labeled with a false designation of origin or with any false description or representation, including words or other symbols tending falsely to describe or represent the same.

26 restrictions, prohibitions, other agency requirements

The importation of certain classes of merchandise may be prohibited or restricted to protect the economy and security of the United States, to safeguard consumer health and well-being, and to preserve domestic plant and animal life. Some commodities are also subject to an import quota or a restraint under bilateral trade agreements and arrangements.

Many of these prohibitions and restrictions on importations are subject, in addition to Customs requirements, to the laws and regulations administered by other United States Government agencies with which Customs cooperates in enforcement. These laws and regulations may, for example, prohibit entry; limit entry to certain ports; restrict routing, storage, or use; or require treatment, labeling, or processing as a condition of release. Customs clearance is given only if these various additional requirements are met. This applies to all types of importations, including those made by mail and those placed in foreign-trade zones.

The foreign exporter should make certain that the United States importer has provided proper information to (1) permit the submission of necessary information concerning packing, labeling, etc., and (2) that necessary arrangements have been made by the importer for entry of the merchandise into the United States.

It is impracticable to list all articles specifically; however, various classes of articles are discussed below. Foreign exporters and U.S. importers should consult the agency mentioned for detailed information and guidance, as well as for any changes to the laws and regulations under which the commodities are controlled.

Agricultural Commodities

1. **Cheese, Milk, and Dairy Products.** Cheese and cheese products are subject to requirements of the Food and Drug Administration and the Department of Agriculture. Most importations of cheese require an import license and are subject to quotas administered by the Department of Agriculture, Foreign Agricultural Service, Washington, D.C. 20250 (see chapter 27).

The importation of milk and cream is subject to requirements of the Food, Drug and Cosmetic Act and the Import Milk Act. These products may be imported only by holders of permits from the Department of Health and Human Services, Food and Drug Administration, Rockville, Md. 20857, and the Department of Agriculture.

2. **Fruits, Vegetables, and Nuts.** Certain agricultural commodities (including fresh tomatoes, avocados, mangoes, limes, oranges, grapefruit, green peppers, Irish potatoes, cucumbers, eggplants, dry onions, walnuts and filberts, processed dates, prunes, raisins, and olives in tins) must meet United States import requirements relating to grade, size, quality, and maturity (7 U.S.C. 608(e)). These commodities are inspected and an inspection certificate must be issued by the Food Safety and Quality Service of the Department of Agriculture to indicate import compliance. Inquiries on general requirements should be made to the Agricultural Marketing Service of the Department of Agriculture, Washington, D.C. 20250. Additional restrictions may be imposed by the Animal and Plant Health Inspection Service of that department, Washington, D.C. 20782, under the Plant Quarantine Act and by the Food and Drug Administration under the Federal Food, Drug and Cosmetic Act.

3. **Insects.** Insects in a live state which are injurious to cultivated crops (including vegetables, field crops, bush fruit, and orchard, forest, or shade trees) and the eggs, pupae, or larvae of such insects are prohibited importation, except for scientific purposes under regulations prescribed by the Secretary of Agriculture.

All packages containing live insects or their eggs, pupae, or larvae, which are not injurious to crops or trees, are permitted entry into the United States only if covered by a permit issued by the Animal and Plant Health Inspection Service of the Department of Agriculture and are not prohibited by the U.S. Fish and Wildlife Service.

4. **Livestock and Animals.** Inspection and quarantine requirements of the Animal and Plant Health Inspection Service must be met for the importation of (1) all cloven-hoofed animals (ruminants), such as cattle, sheep, deer, antelope, camels, giraffes; (2) swine including the various varieties of wild hogs and the meat from such animals; (3) horses, asses, mules, and zebras; (4) animal by-products, such as untanned hides, wool, hair, bones, bone meal, blood meal, animal casings, glands, organs, extracts or secretions of

ruminants and swine; and (5) hay and straw. A permit for importation must be obtained from that agency before shipping from the country of origin. An exception is made in the case of Canada and certain northern states of Mexico. Importations from any country where rinderpest or foot-and-mouth disease exists are prohibited; also, hay and straw packing materials from these countries are not eligible for entry into the United States. Entry of animals is restricted to certain ports which are designated as quarantine stations.

5. **Meat and Meat Products.** All commercial shipments of meat and meat food products offered for entry into the United States are subject to the regulations of the Department of Agriculture and must be inspected by the Animal and Plant Health Inspection Service and the Food Safety and Quality Service of that department prior to release by U.S. Customs.

6. **Plant and Plant Products.** The importation of plants and plant products is subject to regulations of the Department of Agriculture and may be restricted or prohibited. Plants and plant products include fruits, vegetables, plants, nursery stock, bulbs, roots, seeds, certain fibers including cotton and broomcorn, cut flowers, sugarcane, certain cereals, elm logs and elm lumber with bark attached. Import permits are required. Further information should be obtained from the Animal and Plant Health Inspection Service. Also certain endangered species of plants may be prohibited or require permits or certificates (see section 31).

7. **Poultry and Poultry Products.** Poultry, live, dressed, or canned; eggs, including eggs for hatching; and egg products are subject to the requirements and regulations of the Animal and Plant Health Inspection Service and the Food Safety and Quality Service of the Department of Agriculture. Permits are required, as well as special marking and labeling; and, in some cases, foreign inspection certification. The term poultry includes chickens, turkeys, swans, pheasants, grouse, partridges, quail, guinea fowl, pea fowl, and the non-migratory types of ducks, geese, pigeons, and doves. Inquiry should also be made to the Food and Drug Administration and the U.S., Fish and Wildlife Service about their requirements, restrictions, or prohibitions.

8. **Seeds.** The importation into the United States of agricultural and vegetable seeds and screenings is governed by the provisions of the Federal Seed Act of 1939 and regulations of the Agricultural Marketing Service, Department of Agriculture. Shipments are detained pending the drawing and testing of samples.

Arms, Ammunition Radioactive Materials

9. **Arms, Ammunition, Explosives, and Implements of War.** These items are prohibited importation except when a license is issued by the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury, Washington, D.C. 20226, or the importation is in compliance with the regulations of that department. The temporary importation, in-transit movement, and exportation of arms and ammunition is prohibited unless a license is issued by the Office of Munitions Control, Department of State, Washington, D.C. 20520. Importations of surplus arms, ammunition, and implements of war are also subject to the Foreign Excess Property regulations of the International Trade Administration, Department of Commerce, Washington, D.C. 20230. Importations of foreign excess property must be accompanied by an import authorization from that agency.

10. **Radioactive Materials and Nuclear Reactors.** Many radioisotopes, all forms of uranium, thorium, and plutonium, and all nuclear reactors imported into the United States are subject to the regulations of the Nuclear Regulatory Commission in addition to import regulations imposed by any other agency of the United States. Authority to import these commodities or articles containing these commodities is granted by the Nuclear Regulatory Commission, Washington, D.C. 20545.

In order to comply with the Nuclear Regulatory Commission requirements, the importer must be aware of the identity and amount of any NRC-controlled radioisotopes, of uranium, thorium, and plutonium, and of any nuclear reactor being imported into the United States. To assure passage through Customs, the importer must demonstrate to U.S. Customs the Nuclear Regulatory Commission authority under which the controlled commodity is being imported. The authority which is cited may be the number of a specific or general license, or the specific section of the Nuclear Regulatory Commission regulations which establishes a general license or grants an exemption to the regulations. The foreign exporter may save time for the prospective importer by furnishing him complete information concerning the presence of NRC-controlled commodities in U.S. importation.

Consumer Products—Energy Conservation

11. **Household Appliances.** The Energy Policy and Conservation Act, as amended, calls for energy effiency standards for household consumer appliances and for labeling them to indicate expected energy

consumption. The Department of Energy, Consumer Products Efficiency Branch, Washington, D.C. 20585, is responsible for test procedures and energy performance standards. The Federal Trade Commission, Division of Energy and Product Information, Washington, D.C. 20580, regulates the labeling of these appliances. The Act covers the following consumer products: (1) refrigerators and refrigerator-freezers; (2) freezers; (3) dishwashers; (4) clothes dryers; (5) water heaters; (6) room air conditioners; (7) home heating equipment, not including furnaces; (8) television sets; (9) kitchen ranges and ovens; (10) clothes washers; (11) humidifiers and dehumidifiers; (12) central air conditioners; (13) furnaces; (14) certain other types of household consumer appliances, as appropriate.

Importations of these products must comply with the applicable Department of Energy and Federal Trade Commission requirements. Importers should contact these agencies for requirements which will be in effect at the time of anticipated shipment. It should be noted that not all appliances are covered by requirements of both agencies.

Consumer Products—Safety

Any consumer product offered for importation will be refused admission if the product fails to comply with an applicable consumer product safety rule, specified labeling or certification requirements, or is determined to be a hazardous product or contain a product defect which constitutes a substantial product hazard.

12. **Flammable Fabrics.** Any article of wearing apparel or interior furnishing, or any fabric or related material which is intended for use or which may be used in wearing apparel or interior furnishings cannot be imported into the United States if it fails to conform to an applicable flammability standard issued under section 4 of the Flammable Fabrics Act. This Act is administered by the U.S. Consumer Product Safety Commission, Washington, D.C. 20207. Certain products can be imported into the United States as provided in Section 11(c) of the Act for the purpose of finishing or processing to render such products not so highly flammable as to be dangerous when worn by individuals, provided that the exporter states on the invoice or other paper relating to the shipment that the shipment is being made for that purpose. The provisions of the Flammable Fabrics Act apply to products manufactured in the United States, as well as to imported products.

Electronic Products

13. **Radiation Producing Products.** Television receivers, cold-cathode gas discharge tubes, microwave ovens, cabinet and diagnostic X-ray equipment and devices, laser products, and other electronic products for which there are radiation performance standards are subject to the Radiation Control for Health and Safety Act of 1968. An electronic product imported for sale or use in the United States for which there is a radiation performance standard may be imported only if there is filed with each importation an importer's entry notice (Form FD 701) and an electronic product declaration (Form FD 2877) which are issued by the Food and Drug Administration, National Center for Devices and Radiological Health, Rockville, Md. 20857.

The declaration must describe the compliance status of the product. The importer must affirm that the product either was (1) manufactured prior to the effective date of the applicable Federal standard; or (2) complies with the standard and has a label affixed by the manufacturer certifying compliance; or (3) does not comply with the standard but is being imported only for purposes of research, investigation, study, demonstration, or training; or (4) does not now comply with the standard but will be brought into compliance. The provisions of the Radiation Control for Health and Safety Act apply to electronic products manufactured in the United States, as well as to imported products.

14. **Radio Frequency Devices.** Radios, tape recorders, stereos, televisions, citizen band radios or combinations thereof, and other radio frequency devices are subject to radio emission standards of the Federal Communications Commission, Washington, D.C. 20554, under the Communications Act of 1934, as amended. Importations of such products must be accompanied by an FCC declaration (FCC 740) certifying that the imported model or device is in conformity with, will be brought into conformity, or is exempt from the Federal Communications Commission requirements.

Foods, Drugs, Cosmetics, and Medical Devices

15. **Foods, Cosmetics, Etc.** The importation into the United States of food, beverages, drugs, devices, and cosmetics is governed by the provisions of the Federal Food, Drug, and Cosmetic Act which is administered by the Food and Drug Administration of the Department of Health and Human Services, Rockville, Md. 20857. That Act prohibits the importation of articles that are adulterated or misbranded including products that are defective, unsafe, filthy, or produced under unsanitary conditions. The term "misbranded" includes statements, designs, or pictures in labeling that are false or misleading and failure to provide required information in labeling.

Imported products regulated by the Food and Drug Administration are subject to inspection at the time of entry. Shipments found not to comply with the laws and regulations are subject to detention. They must be brought into compliance, destroyed, or re-exported. At the discretion of the Food and Drug Administration, an importer may be permitted to bring a nonconforming importation into compliance if it is possible to do so. Any sorting, reprocessing, or relabeling must be supervised by the Food and Drug Administration at the expense of the importer.

Various imported foods such as confectionery, dairy products, poultry, eggs and egg products, meats, fruits, nuts, and vegetables are also subject to requirements of other agencies as discussed in this booklet. Seafoods are also subject to the requirements of the National Marine Fisheries Service of the Department of Commerce, Washington, D.C. 20852.

16. **Biological Drugs.** The manufacture and importation of biological products for human consumption are regulated under the Public Health Service Act. Domestic and foreign manufacturers of such products must obtain a license for both the manufacturing establishment and the product intended to be produced or imported. Additional information may be obtained from the Food and Drug Administration, Department of Health and Human Services, Rockville, Md. 20857.

Biological drugs for animals are regulated under the Virus Serum Toxin Act administered by the Department of Agriculture. The importation of viruses, serums, toxins and analogous products, and organisms and vectors for use in the treatment of domestic animals is prohibited unless the importer holds a permit from the Department of Agriculture covering the specific product. These importations are also subject to special labeling requirements.

17. **Biological Materials and Vectors.** The importation into the United States for sale, barter, or exchange of any virus, therapeutic serum, toxin, antitoxin, or analogous products, or arsphenamine or its derivatives (or any other trivalent organic arsenic compound), except materials to be used in research experiments, applicable to the prevention, treatment, or cure of diseases or injuries of man is prohibited unless these products have been propagated or prepared at an establishment holding an unsuspended and unrevoked license for such manufacturing issued by the Secretary, Department of Health and Human Services. Samples of the licensed product must accompany each importation for forwarding by the port director of Customs at the port of entry to the Director, Bureau of Biologics, Food and Drug Administration, Bethesda, Maryland 20014.

A permit from the U.S. Public Health Service, Atlanta, Georgia 30333, is required for shipments of any etiological agent or insect, animal or plant vector of human disease or any exotic living insect, animal, or plant capable of being a vector of human disease.

18. **Narcotic Drugs and Derivatives.** The importation of controlled substances including narcotics, marihuana and other dangerous drugs is prohibited except when imported in compliance with regulations of the Drug Enforcement Administration of the Department of Justice, Washington, D.C. 20537. Examples of some of the prohibited controlled substances are amphetamines; barbiturates; coca leaves and derivatives such as cocaine; hallucinogenic substances such as LSD, mescaline, peyote, marihuana and other forms of Cannabis; opiates including methadone; opium including opium derivatives, such as morphine and heroin; synthetic substitutes for narcotic drugs.

Gold, Silver, Currency, Stamps

19. **Gold and Silver.** The provisions of the National Stamping Act, as amended (15 U.S.C. 291–300) are enforced by the Department of Justice, Washington, D.C. 20530. Articles made of gold or alloys thereof are prohibited importation into the United States if the gold content is one-half carat divergence below the indicated fineness. In the case of articles made of gold or gold alloys, including the solder and alloy of inferior fineness, a one-carat divergence below the indicated fineness is permitted. Articles marked "sterling" or "sterling silver" must assay at least 0.925 of pure silver with a 0.004 divergence allowed. Other articles of silver or silver alloys must assay not less than 0.004 part below the indicated fineness thereof. Articles marked "coin" or "coin silver" must contain at least 0.900 part pure silver with an allowable divergence therefrom of 0.004 part.

A person placing articles of gold or silver bearing a fineness or quality mark such as 14K, sterling, etc., in the mail or in interstate commerce must place his name or registered trademark next to the fineness mark in letters the same size as the fineness mark. The trademark or name is not required at the time of importation; therefore, Customs has no direct responsibility for enforcement of the law. Persons making inquiry or seeking advice or interpretation of the law should consult the Department of Justice.

Articles bearing the words "United States Assay" are prohibited importations. Articles which are made wholly or in part of inferior metal and are plated or filled with gold or silver or alloys thereof and are marked with the degree of fineness must also be marked to indicate the plated or filled content, and in such cases the use of the words "sterling" or "coin" is prohibited.

All restrictions on the purchase, holding, selling, or otherwise dealing with gold were removed effective December 31, 1974, and gold may be imported subject to the usual Customs entry requirements. Under the Hobby Protection Act, any imitation numismatic item must be plainly and permanently marked "copy"; those that do not comply are subject to seizure and forfeiture. Unofficial gold coin restrikes must be marked with the country of origin. It is advisable to obtain a copy of the legal proclamation under which the coins are issued or an affidavit of government sanction of coins should be secured from a responsible banking official if the proclamation is unavailable.

20. **Counterfeit Articles.** Articles bearing facsimiles or replicas of coins or securities of the United States or of any foreign country are prohibited importation. Counterfeits of coins in circulation in the United States; counterfeited, forged, or altered obligations or other securities of the United States or of any foreign government; plates, dies, or other apparatus which may be used in making any of the foregoing are prohibited importations.

21. **Monetary Instruments.** Under the Currency and Foreign Transactions Reporting Act, 31 USC 1101 et seq., if more than **$10,000** in monetary instruments is transported or caused to be transported (including by mail or other means) on any occasion into or out of the United States, or if a person in the United States receives more than that amount, a report of the transaction, Customs Form 4790, must be filed with U.S. Customs. Monetary instruments include U.S. or foreign coin, currency, travelers checks, money orders, and negotiable instruments or investment securities in bearer form but do not include bank checks, travelers checks, or money orders made payable to the order of a named person which have not been endorsed or which bear restrictive endorsement.

22. **Postage Stamps.** Facsimiles of United States postage stamps are prohibited except those for philatelic, educational, historical, or newsworthy purposes. Further information should be obtained from the United States Secret Service, Department of the Treasury, Washington, D.C. 20223.

Pesticides, Toxic and Hazardous Substances

23. **Pesticides.** The importation into the United States of economic poisons and devices, including insecticides, Paris greens, lead arsenates, fungicides, herbicides, and rodenticides, is governed by the provisions of the Insecticide, Fungicide, and Rodenticide Act of 1947, as amended by the Federal Environmental Pesticide Control Act of 1972. All imported pesticides are required to be registered in accordance with the criteria established by the Environmental Protection Agency, Office of Pesticides and Toxic Substances, Washington, D.C. 20460. Devices, although not required to be registered, must not bear any statement, design, or graphic representation that is false or misleading in any particular. Importations of pesticides and devices will not be released from Customs custody unless a Notice of Arrival approved by the Office of Pesticides and Toxic Substances is presented to Customs.

24. Toxic Substances. The Toxic Substances Control Act, effective January 1, 1977, regulates the manufacturing, processing, distribution in commerce, use or disposal of any chemical substance or mixture that may present an unreasonable risk of injury to health and the environment. This includes importation of such substances into the United States. Importations will not be released from Customs custody unless proper certification of "compliance" or "exemption" from requirements of the Toxic Substances Control Act is presented to Customs.

25. **Hazardous Substances.** The importation into the United States of dangerous caustic or corrosive substances in packages suitable for household use and of hazardous substances is regulated by the Hazardous Substances Act; the Caustic Poison Act; the Food, Drug and Cosmetic Act; and the Consumer Product Safety Act. The marking, labeling, packaging, and transportation of hazardous materials, substances, wastes, and their containers is regulated by the Materials Transportation Bureau of the Department of Transportation, Washington, D.C. 20590.

Textile, Wool, and Fur Products

26. **Textile Products.** All textile fiber products imported into the United States shall be stamped, tagged, labeled, or otherwise marked with the following information as required by the Textile Fiber Products Identification Act, unless exempted from marking under section 12 of the Act.

a. The generic names and percentages by weight of the constituent fibers present in the textile fiber

product, exclusive of permissive ornamentation, in amounts of more than 5 percent in order of predominance by weight, with any percentage of fiber or fibers required to be designated as "other fiber" or "other fibers" appearing last. Fibers present in amounts of 5 percent or less must be designated as "other fibers."

b. The name of the manufacturer or the name or registered identification number issued by the Federal Trade Commission of one or more persons marketing or handling the textile fiber product. A word trademark, used as a house mark, registered in the United States Patent Office, may be used on labels in lieu of the name otherwise required if the owner of such trademark furnishes a copy of the registration to the Federal Trade Commission prior to use.

c. The name of the country where processed or manufactured.

For the purpose of the enforcement of the Textile Fiber Products Identification Act, a commercial invoice covering a shipment of textile fiber products exceeding $500 in value and subject to the labeling requirements of the Act is required to show the information noted in chapter 6, in addition to that ordinarily required on the invoices.

Regulations and pamphlets containing the text of the Textile Fiber Products Identification Act may be obtained from the Federal Trade Commission, Washington, D.C. 20580.

27. **Wool.** Any product containing woolen fiber imported into the United States, with the exception of carpets, rugs, mats, upholsteries, and articles made more than 20 years prior to importation, shall be tagged, labeled, or otherwise clearly marked with the following information as required by the Wool Products Labeling Act of 1939:

a. The percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 percent of the total fiber weight of (1) wool, (2) recycled wool, (3) each fiber other than wool if the percent by weight of such fiber is 5 percent or more, and (4) the aggregate of all other fibers.

b. The maximum percent of the total weight of the wool product, of any nonfibrous loading, filing, or adulterating matter.

c. The name of the manufacturer or person introducing the product in commerce in the United States, i.e., the importer. If the importer has a registered identification number issued by the Federal Trade Commission that number may be used instead of the individual's name.

For the purpose of the enforcement of the Wool Products Labeling Act, a commercial invoice covering a shipment of wool products exceeding $500 in value and subject to the labeling requirements of the act is required to show the information noted in chapter 6.

The provisions of the Wool Products Labeling Act apply to products manufactured in the United States as well as to imported products.

Pamphlets containing the text of the Wool Products Labeling Act and the regulations may be obtained from the Federal Trade Commission, Washington, D.C. 20580.

28. **Fur.** Any article of wearing apparel made in whole or in part of fur or used fur, with the exception of articles that are made of new fur of which the cost or manufacturer's selling price does not exceed $7, imported into the United States shall be tagged, labeled, or otherwise clearly marked to show the following information as required by the Fur Products Labeling Act:

a. The name of the manufacturer or person introducing the product in commerce in the United States; i.e., the importer. If the importer has a registered identification number, that number may be used instead of the individual's name.

b. The name or names of the animal or animals that produced the fur as set forth in the Fur Products Name Guide and as permitted under the rules and regulations.

c. That the fur product contains used or damaged fur when such is the fact.

d. That the fur product is bleached, dyed, or otherwise artificially colored when such is the fact.

e. That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur when such is the fact.

f. The name of the country of origin of any imported furs contained in a fur product.

The entry or withdrawal from warehouse for consumption of raw or not dressed, or dressed ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins which are products of the Union of Soviet Socialist Republics (Russia) which at the time of entry or withdrawal from warehouse for consumption is under Communist domination or control, is prohibited.

For the purpose of enforcement of the Fur Products Labeling Act, a commercial invoice covering a shipment exceeding $500 in value of furs or fur products is required to show the information noted in chapter 6.

The provisions of the Fur Products Labeling Act apply to fur and fur products in the United States as well as to imported furs and fur products. Regulations and pamphlets containing the text of the Fur Products Labeling Act may be obtained from the Federal Trade Commission, Washington, D.C. 20580.

Trademarks, Trade Names, and Copyrights

29. **Trademarks and Trade Names.** Articles bearing counterfeit trademarks, or marks which copy or simulate a registered trademark of a United States or foreign corporation are prohibited importation, provided a copy of the U.S. trademark registration is filed with the Commissioner of Customs and recorded in the manner provided by regulations (19 CFR 133.1–133.7). The U.S. Customs Service also affords similar protection against unauthorized shipments bearing trade names which are recorded with Customs pursuant to regulations (19 CFR Part 133, Subpart B). It is also unlawful to import articles bearing genuine trademarks owned by a U.S. citizen or corporation without permission of the U.S. trademark owner, if the foreign and domestic trademark owners are not parent and subsidiary companies or otherwise under common ownership and control, provided the trademark has been recorded with Customs and the U.S. trademark owner has not authorized the distribution of trademarked articles abroad (15 U.S.C. 1124; 19 U.S.C. 1526).

The Customs Reform and Simplification Act of 1978 strengthened the protection afforded trademark owners against the importation of articles bearing a counterfeit mark. A "counterfeit trademark" is defined as a spurious trademark which is identical with, or substantially indistinguishable from, a registered trademark. Articles bearing a counterfeit trademark which are seized by Customs and forfeited to the government may be (1) given to any Federal, state, or local government agency which has established a need for the article; (2) given to a charitable institution; or (3) sold at public auction if more than 1 year has passed since forfeiture and no eligible organization has established a need for the article. The counterfeit marks must be removed before the forfeited articles may be given away or sold. If this is not feasible, the articles are destroyed. The law also provides an exemption from all restrictions on trademarked articles (limited to one of each type) accompanying a person arriving in the United States when the articles are for personal use and not for sale.

30. **Copyrights.** Section 602(a) of the Copyright Revision Act of 1976 (17 U.S.C. 602(a)) provides that the importation into the United States of copies of a work acquired outside the United States without authorization of the copyright owner is an infringement of the copyright. Articles imported in violation of the import prohibitions are subject to seizure and forfeiture. Forfeited articles shall be destroyed; however, the articles may be returned to the country of export whenever Customs is satisfied that there was no intentional violation. The substantial similarity test is employed to determine if a design has been copied. Copyright owners seeking import protection from the U.S. Customs Service must register their claim to copyright with the U.S. Copyright Office and record their registration with Customs in accordance with applicable regulations (19 CFR Part 133, Subpart D).

The U.S. Customs Service also enforces the "manufacturing clause" of the Copyright Revision Act of 1976 (17 U.S.C. 601). In general, the "manufacturing clause" prohibits the importation of works authored by a U.S. national or domiciliary consisting preponderantly of nondramatic literary material that is in the English language and protected by copyright, unless the portions consisting of such material have been manufactured in the United States or Canada. The manufacturing requirements do not extend to dramatic, musical, pictorial or graphic works; foreign language works; bilingual or multilingual dictionaries; or public domain material. The manufacturing restrictions were scheduled to terminate on July 1, 1986. However, Congress may extend the termination date or make the "manufacturing clause" a permanent part of the Copyright Law.

Wildlife and Pets

31. **Wildlife and Pets.** The importation of live wild or game animals, birds, and other wildlife, or any part or product made therefrom, and the eggs of wild or game birds, is subject to certain prohibitions, restrictions, permit and quarantine requirements of several Government agencies. Importations of

wildlife, parts, or their products must be entered at certain designated Customs ports of entry unless an exception is granted by the U.S. Fish and Wildlife Service, Department of the Interior, Washington, D.C. 20240.

On or after January 1, 1981, most firms (with some significant exceptions) importing or exporting wildlife must obtain a license from the Fish and Wildlife Service. Applications and further information may be obtained from the Fish and Wildlife Special Agent in Charge for the state in which the importer or exporter is located.

Endangered species of wildlife and certain species of animals and birds are generally prohibited entry into the United States and may be imported only under a permit granted by the U.S. Fish and Wildlife Service. Specific information concerning import requirements should be obtained from that agency.

Antique articles which would otherwise be prohibited under the Endangered Species Act may be admitted provided certain conditions are met. These articles must be entered at certain designated antique ports.

The taking and importation of marine mammals and their products are subject to the requirements of the Marine Mammal Protection Act of 1972 and cannot be imported without a permit from the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Washington, D.C. 20235, or the U.S. Fish and Wildlife Service.

Regulations to implement the Convention on International Trade in Endangered Species of Wild Fauna and Flora became effective on May 23, 1977. Certain animals, mammals, birds, reptiles, amphibians, fish, snails, clams, and insects may be prohibited or require permits or certification which may be obtained from the U.S. Fish and Wildlife Service.

The importation into the United States of any wild animal or bird is prohibited if the animal or bird was captured, taken, shipped, possessed, or exported contrary to the law of the foreign country or subdivision thereof. In addition, no wild animal or bird from any foreign country may be taken, purchased, sold or possessed contrary to the laws of any State, territory, or possession of the United States.

The importation of the feathers or skin of any wild bird, except for scientific and educational purposes, is prohibited. This prohibition does not apply to fully manufactured artificial flies used for fishing. The feathers of certain birds for use in the manufacture of artificial flies used for fishing or for millinery purposes may be imported under permit issued by the U.S. Fish and Wildife Service.

Live birds protected under the Migratory Bird Treaty Act may be imported into the United States from foreign countries for scientific or propagating purposes only under permits issued by the U.S. Fish and Wildlife Service. These migratory birds and any game animals (e.g., antelope, mountain sheep, deer, bears, peccaries, squirrels, rabbits, and hares) imported from Mexico, must be accompanied by Mexican export permits.

Importations in this class are also subject to the quarantine requirements of the Department of Agriculture and the United States Public Health Service. Appropriate inquiries in this respect should be directed to those agencies.

The importation of birds, cats, dogs, monkeys, and turtles is subject to the requirements of U.S. Public Health Service, Center for Disease Control, Quarantine Division, located in Atlanta, Georgia 30333, and the Veterinary Services of the Animal and Plant Health Inspection Service, Department of Agriculture, Hyattsville, Maryland 20782.

Other Miscellaneous Prohibited or Restricted Merchandise

White or yellow phosphorus matches, fireworks banned under federal or state restrictions, pepper shells, switchblade knives, and lottery tickets are prohibited.

32. **Foreign Assets Control Restrictions.** The Foreign Assets Control Regulations (31 CFR, part 500) prohibit unlicensed importations of merchandise of mainland Chinese, North Korean, Cambodian (**Kampuchea**), Vietnamese, Nicaraguan, or Libyan origin, including articles grown, produced, or manufactured therein. The unlicensed importation of goods of Cuban origin, articles containing Cuban components, and all goods imported from or through Cuba are prohibited.

Importations of merchandise of Zimbabwe origin, as well as ferrochrome and certain alloyed steel mill products from other countries are now authorized. Goods of mainland Chinese origin are now authorized to be imported under general license contained in the regulations.

Specific inquiries should be made to Foreign Assets Control Department of the Treasury, Washington, D.C. 20220, or to the Foreign Assets Control Division, Federal Reserve Bank of New York, New York 10045.

33. **Foreign Excess Property.** Importation of surplus materials, products, or equipment is subject to Foreign Excess Property Regulations. Importations must be accompanied by an import authorization issued by the International Trade Administration, Department of Commerce, Washington, D.C. 20230.

34. **Obscene, Immoral, and Seditious Matter.** Section 305, Tariff Act of 1930, as amended, prohibits the importation of any book, writing, advertisement, circular, or picture containing any matter advocating or urging treason or insurrection against the United States, or forcible resistance to any law of the United States, or containing any threat to take the life of or inflict bodily harm upon any person in the United States, or any obscene book, writing, advertisement circular, picture or other representation, figure, or image on or of paper or other material, or any case, instrument, or other article which is obscene or immoral, or any drug or medicine for causing unlawful abortion.

35. **Petroleum and Petroleum Products. Importations of petroleum and petroleum products are subject to the requirements of the Department of Energy. An import license is no longer required. These importations may be subject to an oil import license fee collected and administered by the Department of Energy. Inquiries should be directed to the Department of Energy, Washington, D.C. 20461.**

36. **Products of Convict or Forced Labor.** Merchandise produced, mined, or manufactured by means of the use of convict labor, forced labor, or indentured labor under penal sanctions is prohibited importation.

37. **Unfair Competition.** Section 337 of the Tariff Act, as amended, prohibits the importation of merchandise if the President finds that unfair methods of competition or unfair acts exist. This section is most commonly invoked in the case of patent violations, although a patent need not be at issue. Prohibition of entries of the merchandise in question generally is for the term of the patent, although a different term may be specified.

Following a section 337 investigation, the International Trade Commission may find that unfair methods of competition or unfair acts exist with respect to the importation of certain merchandise. After the International Trade Commission has issued an order, the President is allowed 60 days to take action; should the 60 days expire without Presidential action, the order becomes final. During the 60-day period or until the President acts, importation of the merchandise is allowed under a special bond but it must be recalled by Customs if appropriate under the conditions of the order when it becomes final. If the President determines that entry of the merchandise is not in violation of section 337, the bond is canceled.

27 alcoholic beverages

Any person or firm wishing to engage in the business of importing distilled spirits, wines, or malt beverages into the United States must first obtain an importer's basic permit from the Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, Washington, D.C. 20226. That agency is responsible for administering the Federal Alcohol Administration Act.

Distilled spirits imported in bulk containers of a capacity of more than one gallon may be withdrawn from Customs custody only by persons to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk. Bulk or bottled shipments of imported spirits or distilled or intoxicating liquors must at the time of importation be accompanied by a copy of a bill of lading or other documents, such as an invoice showing the name of the consignee, the nature of its contents, and the quantity contained therein (18 U.S.C. 1263).

U.S. Customs will not release alcoholic beverages destined to any State for use in violation of its laws, and the importation of alcoholic beverages in the mails is prohibited.

The United States adopted the metric system of measure with the enactment of the Metric Conversion Act of 1975. In general, imported wine must conform with the metric standards of fill if bottled or packed on or after January 1, 1979. Imported distilled spirits, with some exceptions, must conform with the metric standards of fill if bottled or packed on or after January 1, 1980. Distilled spirits and wines bottled or packed prior to the respective dates must be accompanied by a statement to that effect signed by a duly authorized official of the appropriate foreign country. This statement may be a separate document or be shown on the invoice. Malt beverages including beer are not subject to metric standards of fill.

Marking

If distilled spirits are bottled abroad in containers having a capacity of 200 milliliters or more, these containers must be legibly and permanently marked with (1) the words "Liquor Bottle" and (2) the city or country address of the manufacturer of the spirits or of the exporter abroad, or the city of address of the importer in the United States. Empty liquor bottles imported to be filled in the United States shall be marked with the words "Liquor Bottle" and the city or country of address of the bottle manufacturer. Empty or filled distinctive liquor bottles not bearing such indicia may be imported only with the approval of the Bureau of Alcohol, Tobacco and Firearms.

Imported wines in bottles and other containers are required to be packaged, marked, branded, and labeled in accordance with the regulations in 27 CFR Part 4. Imported malt beverages are also required to be labeled in conformance with the regulations in 27 CFR Part 7.

Each bottle, cask or other immediate container of imported distilled spirits, wines, or malt beverages must be marked for customs purposes to indicate the country of origin of the alcoholic beverage contained therein, unless the shipment comes within one of the exceptions outlined in chapter 22 of this booklet.

Certificate of Label Approval

Labels affixed to bottles of imported distilled spirits and wine must be covered by certificates of label approval issued to the importer by the Bureau of Alcohol, Tobacco and Firearms. Certificates of label approval or photostatic copies must be filed with Customs before the goods may be released for sale in the United States. Certificate of label approval requirements must also be met for fermented malt beverages if for delivery into a State which has adopted Federal labeling requirements or has labeling requirements similar to the Federal requirements (27 CFR Parts 4, 5 and 7).

Foreign Documentation

Importers of wines and distilled spirits should consult the Bureau of Alcohol, Tobacco and Firearms about foreign documentation required; for example, certificates of origin, age, etc.

Requirements of Other Agencies

In addition, importation of alcoholic beverages is subject to the specific requirements of the Food and Drug Administration. Certain plant materials when used for bottle jackets for wine or other liquids are subject to special restrictions under plant quarantine regulations of the Animal and Plant Health Inspection Service. All bottle jackets made of dried or unmanufactured plant materials are subject to inspection upon arrival and are referred to the Department of Agriculture.

Confectionery Containing Alcohol

Confectionery which contains any alcohol is considered an adulterated article and as such is generally prohibited under the Food, Drug and Cosmetic Act. This prohibition does not apply to any confectionery which contains less than one-half percent by volume of alcohol which is derived solely from the use of flavoring extracts.

28 motor vehicles and boats

Automobiles, Vehicles and Vehicle Equipment

Safety Standards. All imported automobiles or automobile equipment, whether new or used, manufactured after December 31, 1967 (except those designed for competition, show, test, or experimental purposes), will be refused entry into the United States unless they are in conformity with applicable Federal motor vehicle safety standards. An automobile or automobile equipment imported solely with the intention of exportation and so labeled is exempt from these safety standards. Motorcycles and mopeds are also required to conform with certain safety standards. The best evidence of conformance to the safety standards is the original manufacturer's certification label attached to the car, which must include the date of manufacture and vehicle identification number. A declaration, NHTSA Form HS-7, is required to be filed at the time of entry for all subject importation.

If the vehicle or equipment was manufactured in conformity with the applicable safety standards and lacks the required certificate, the importer's declaration should be accompanied by a statement of the original manufacturer as evidence of compliance. If the vehicle or equipment was not manufactured in conformity with the applicable safety standards but has since been brought into conformity, the declaration must be accompanied by a statement of the manufacturer, contractor, or other persons who have brought the vehicle or equipment into conformity which describes the nature and extent of the work performed. Bond is required in both cases until claim of conformity is approved by NHTSA.

A nonconforming automobile or automobile equipment may be admitted under bond. It must be brought into conformity within 120 days or such additional time as may be allowed by the Administrator of the National Highway Traffic Safety Administration, if good cause is known. Note: the maximum time authorized for bringing into conformity is 180 days after entry.

For complete information, write to the U.S. Department of Transportation, Office of Enforcement, Motor Vehicle Program, National Highway Traffic Safety Administration, Washington, D.C. 20590.

Emission Standards. The Clean Air Act, as amended, prohibits the importation into the United States of any motor vehicle or motor vehicle engine not in conformity with emission standards prescribed by the U.S. Environmental Protection Agency. For imported vehicles, these standards apply whether the vehicle is new or used. Vehicles imported for display, competition, or testing are allowed entry provided they are not sold or licensed for use on the public roads.

In addition to passenger cars, certain trucks, multipurpose vehicles (e.g. campers), motorcycles, etc., are subject to EPA standards. Model years covered by EPA go back to 1968. All complying 1971 and later models are required to have a label in a readily visible position in the engine compartment stating that the vehicle conforms to U.S. standards. This label will read "Vehicle Emission Control Information" and include the full corporate name and trademark of the manufacturer. If this label is not present, the importer should verify conformity with the manufacturer.

A declaration, EPA Form 3520-1, is required to be filed at the time of entry for all nonconforming importations. A nonconforming vehicle or engine may be admitted under bond provided it is brought into conformity within the time period specified by EPA.

For further information, including details of anticipated requirements and procedures, contact: Environmental Protection Agency, Public Information Center (PM-215), Washington, D.C. 20460.

Word of Caution. Modifications necessary to bring a nonconforming vehicle into conformity with the safety standards and/or emission standards may require extensive engineering, be impractical or impossible, or the labor and materials may be unduly expensive.

Boat Safety Standards

Imported boats and associated equipment are subject to U.S. Coast Guard safety regulations or standards under the Federal Boat Safety Act of 1971. Products subject to standards must have a compliance certification label affixed. Certain hulls also require a hull identification number to be affixed. A U.S. Coast Guard import declaration is required to be filed with entries of nonconforming boats. Further information may be obtained from the Commandant, U.S. Coast Guard, Washington, D.C. 20593.

Dutiability

Vessels that are brought into the United States for use in trade or commerce are not dutiable. Yachts or pleasure boats brought into the United States by nonresidents for their own use in pleasure cruising are

also not dutiable. Yachts or pleasure boats owned by a resident or brought into the United States for sale or charter to a resident are dutiable. Further information may be found in U.S. Customs pamphlet "Pleasure Boats."

Restrictions on Use

Vessels that are foreign-built or of foreign registry may be used in the United States for pleasure purposes and in the foreign trade of the United States. However, Federal law prohibits the use of such vessels in the coastwise trade, i.e. the transportation of passengers or merchandise between points in the United States, including carrying fishing parties for hire. Questions concerning the use of foreign-built or foreign-flag vessels should be addressed to Chief, Carrier Rulings Branch, U.S. Customs Service, 1301 Constitution Ave., N.W., Washington, D.C. 20559.

29 import quotas

An import quota is a quantity control on imported merchandise for a certain period of time. Quotas are established by legislation, by directives and by proclamations issued under the authority contained in specific legislation. The majority of import quotas are administered by the U.S. Customs Service. The Commissioner of Customs controls the importation of quota merchandise but has no authority to change or modify any quota. United States import quotas may be divided into two types: *absolute* and *tariff-rate*.

Tariff-rate quotas provide for the entry of a specified quantity of the quota product at a reduced rate of duty during a given period. There is no limitation on the amount of the product which may be entered during the quota period, but quantities entered in excess of the quota for the period are subject to higher duty rates. In most cases, products of Communist-controlled areas are not entitled to the benefits of tariff-rate quotas.

Absolute quotas are quantitative; that is, no more than the amount specified may be permitted entry during a quota period. Some absolute quotas are global, while others are allocated to specified foreign countries. Imports in excess of a specified quota may be exported or warehoused for entry in a subsequent quota period.

The usual customs procedures generally applicable to other imports apply with respect to commodities subject to quota limitations.

The quota status of a commodity subject to a tariff-rate quota cannot be determined in advance of its entry. The quota rates of duty are ordinarily assessed on such commodities entered from the beginning of the quota period until such time in the period as it is determined that imports are nearing the quota level. District directors of Customs are then instructed to require the deposit of estimated duties at the over-quota duty rate and to report the time of official presentation of each entry. A final determination of the date and time when a quota is filled is made, and all district directors are advised accordingly.

Some of the absolute quotas are invariably filled at or shortly after the opening of the quota period. Each of these quotas is therefore officially opened at 12 noon E.S.T. on the first day of the quota period in order that all importers may have an equal opportunity for the simultaneous presentation of entries under the quota. When the total quantity for which entries are filed at the opening of the quota period exceeds the quota, the merchandise is released on a pro rata basis, the pro rata being the ratio between the quota quantity and the total quantity offered for entry. This assures an equitable distribution of the quota.

Merchandise is not regarded as presented for purposes of determining quota priority until an entry summary or withdrawal from warehouse for consumption has been submitted in proper form and the merchandise is located within the port limits.

Commodities Subject to Quotas Administered by Customs

As provided in the Tariff Schedules of the United States, the commodities listed below are subject to quota limitations in effect as of the date of publication of this booklet. Local Customs officers can be consulted about any changes.

Tariff-Rate Quotas

Whole milk, fluid, fresh or sour.
Fish, fresh, chilled, or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish.
Tuna fish, described in item 112.30, Tariff Schedules.
Potatoes, white or Irish; certified seed and other than certified seed.
Whiskbrooms wholly or in part of broom corn.
Other brooms wholly or in part of broom corn.
Motorcycles, over 700 cc engine displacement.

Absolute Quotas

Animal feeds containing milk or milk derivatives.
Butter substitutes, containing over 45 percent of butterfat, provided for in item 116.30, Tariff Schedules, and butter oil.
Buttermix containig over 5.5 percent but not over 45 percent by weight of butterfat.
Cheese, natural Cheddar made from unpasteurized milk and aged not less than 9 months.
Chocolate, containing 5.5 percent or less by weight of butterfat.
Chocolate crumb and other related articles containing over 5.5 percent by weight of butterfat.
Cream, fluid or frozen, fresh or sour.
Milk and cream, condensed or evaporated.
Ice cream.
Cotton having a staple length under $1^{1}/_{16}$" (except harsh or rough cotton having a staple length of under ¾", and other than linters).
Cotton (other than linters) having a staple length of $1^{1}/_{16}$" or more.
Cotton card strips made from cotton having a staple length under $1^{3}/_{15}$" and comber waste, lap waste, sliver waste, and roving waste, whether or not advanced.
Fibers of cotton processed but not spun.
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter).
Sugar, syrups, and molasses described in items 115.20, 115.30, 156.45, 183.01, and 183.05 Tariff Schedules.
Steel, bars, rods, stainless, alloy tool steel.
Coffee.

Textile Articles

The U.S. Customs Service administers import controls on certain cotton, wool, and manmade fiber articles manufactured or produced in designated countries. These controls are imposed on the basis of directives issued to the Commissioner of Customs by the Chairman of the Committee for the Implementation of Textile Agreements.

Information concerning specific import controls in effect may be obtained from the Commissioner of Customs. Other information concerning the textile program may be obtained from the Chairman, Committee for the Implementation of Textile Agreements, U.S. Department of Commerce, Washington, D.C. 20230.

Quotas or Licenses Administered by Other Government Agencies

Watches and Watch Movements. The Departments of Interior and Commerce administer the import quotas on watches and watch movements from insular possessions admissible free of duty under General Headnote 3(a), TSUS, on a licensing basis. Information concerning licenses may be obtained from Statutory Important Programs Staff, International Administration, U.S. Department of Commerce, Washington, D.C. 20230.

Dairy Products. Certain dairy products listed below are subject to annual import quotas assigned by the Department of Agriculture and may be imported only under import licenses issued by that department which are administered through the U.S. Customs Service. Detailed information on the licensing of these products, or the conditions under which limited quantities may be imported without licenses, may be obtained from the Dairy and Import Group, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

Butter
Dried cream
Malted milk and compounds or mixtures of or substitutes for milk or cream
Dried whole milk
Dried skimmed milk
Dried buttermilk and whey
Cheddar cheese, and cheese and substitutes for cheese containing or processed from Cheddar cheese curd, and granular cheese and cheese substitutes for cheese containing or processed from such American-type cheese
Edam and Gouda cheese
Blue mold (except Stilton) cheese, and cheese and substitutes for cheese containing, or processed from, blue-mold cheese
Italian-type cheeses, made from cow's milk, in original loaves (Romano made from cow's milk, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz)
Italian-type cheese, not in original loaves
American-type cheese, including Colby, washed curd, and granular cheese and cheese substitutes for cheese containing, or processed from, such American-type cheese

Cheese and substitutes for cheese containing, or processed from Edam and Gouda cheese

Swiss or Emmenthaler cheese with eye formation; Gruyere-process cheese, and cheese and substitutes for cheese containing, or processed from, such cheese

Cheese and substitutes for cheese (except *** cheese *** containing no butterfat or not over 0.5 percent by weight of butterfat ***)

Cheese and substitutes for cheese, containing 0.5 percent or less by weight of butterfat

30 civil and criminal fraud laws

Section 592 of the Tariff Act of 1930, as amended (19 U.S.C. 1592), generally provides that any person who by fraud, gross negligence, or negligence, enters, introduces, or attempts to introduce, merchandise into the commerce of the United States by means of any material and false written or oral statement, document or act, or by any omission which is material, will be subject to a monetary penalty. The person's merchandise may be seized, in certain circumstances, to insure payment of the penalty and forfeited if the penalty is not paid.

This civil fraud statute has been applied by the Customs Service in cases involving individuals and companies in the United States and abroad which have negligently or intentionally provided false information concerning importations into the United States.

A criminal fraud statute also provides for sanctions to those presenting false information to Customs officers. Title 18, United States Code, section 542, provides a maximum of 2 years' imprisonment, or a $5,000 fine, or both, for each violation involving an importation or attempted importation.

Both of these statutes were enacted by Congress to discourage persons from evading the payment of lawful duties owed to the United States. They are enforced by special agents assigned to the Office of Investigations who operate throughout the United States and in the major trading centers of the world.

31 foreign-trade zones

Foreign or "free" trade zones are secured areas legally outside a nation's customs territory. Their purpose is to attract and promote international trade and commerce. Zones are operated as public utilities by states, political subdivisions, or corporations chartered for that purpose. Charges are made for use of the facilities. Subzones are special purpose facilities for companies unable to operate effectively at public zone sites. Foreign-trade zones usually are located in or near customs ports of entry, at industrial parks or terminal warehouse facilities. Subzones are located in the zone user's private facility. A Foreign-Trade Zone Board, created by the Foreign-Trade Zones Act of 1934, reviews and approves applications to establish, operate, and maintain foreign-trade zones.

Foreign exporters planning to expand or open up new American outlets may forward their goods to a foreign-trade zone in the United States to be held for an unlimited period while awaiting a favorable market in the United States or nearby countries without being subject to customs entry, payment of duty or tax, or bond.

Treatment of Goods

Merchandise lawfully brought into these zones may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured. The Foreign Trade Zones Board may determine, however, that an operation is not in the public interest. The resulting merchandise may thereafter be either exported or transferred into customs territory. When foreign goods, in their condition at time of entry into the zone or after processing there, are transferred into customs territory of the United States, the goods must be entered at the customhouse. If entered for consumption, duties and taxes will be assessed on the entered articles, according to the condition of the foreign merchandise at the time of entry into the zone, if it has been placed in the status of privileged foreign merchandise prior to manipulation or manufacture, or on the basis of its condition at the time of entry for consumption, if the foreign merchandise was placed under nonprivileged status at the time of entry into the zone.

An important feature of foreign-trade zones for foreign merchants entering the American market is that the goods may be brought to the threshold of the market, making immediate delivery certain and avoiding possible cancellation of orders due to shipping delays after a favorable market has closed.

Production of articles in zones by the combined use of domestic and foreign materials makes unnecessary either the sending of the domestic materials abroad for manufacture or the duty-paid or bonded importation of the foreign materials. Duties on the foreign goods involved in such processing or manufacture are payable only on the actual quantity of such foreign goods incorporated in merchandise transferred from a zone for entry into the commerce of the United States. If there is any unrecoverable waste

resulting from manufacture or manipulation, allowances are made for it, thereby eliminating payment of duty except on the articles which are actually entered. If there is any recoverable waste, it is dutiable only in its condition as such and in the quantity entered.

Another feature under the zone act is the authority to exhibit merchandise within a zone. Zone facilities may be utilized for the full exhibition of foreign merchandise without bond, for an unlimited length of time, and with no requirement of exportation or duty payment. Thus, the owner of goods in a zone may display his goods where they are stored, establish showrooms of his own, or join with other importers in displaying his merchandise in a permanent exhibition established in the zone; and, since he may also store and process merchandise in a zone, he is not limited to mere display of samples, but he may sell from stock in wholesale quantities.

The owner of foreign merchandise that has not been manipulated or manufactured in any way that would effect a change in its United States tariff classification had it been taken into customs territory when first imported may, upon request to the district director of Customs, have its dutiable status fixed and liquidated. This dutiable status will apply irrespective of when the merchandise is entered into customs territory and even though its condition or form may have been changed by processing in the zone, as indicated above.

Domestic merchandise may be taken into a zone and, providing its identity is maintained in accordance with regulations, may be returned to customs territory free of quotas, duty, or tax, even though while in the zone it may have been combined with or made part of other articles. However, domestic distilled spirits, wine, and beer, and a limited number of other kinds of merchandise generally may not be processed while in the zone.

Advantages

Savings may result from manipulations and manufacture in a zone. For example, many products, shipped to the zone in bulk, can be dried, sorted, graded, or cleaned and bagged or packed, permitting savings of duties and taxes on moisture taken from content or on dirt removed and culls thrown out. From incoming shipments of packaged or bottled goods, damaged packages or broken bottles can be removed. Where evaporation results during shipment or while goods are stored in the zone, contents of barrels or other containers can be regauged and savings obtained, as no duties are payable on the portions lost or removed. In other words, barrels or other containers can be gauged at the time of transfer to customs territory, to insure that duties will not be charged on any portion of their contents which has been lost due to evaporation, leakage, breakage, or otherwise.

Savings in shipping charges, duties, and taxes may result from such operations as shipping unassembled or disassembled furniture, machinery, etc., to the zone and assembling or reassembling them there.

Merchandise may be re-marked or relabeled in the zone to conform to requirements for entry into the commerce of the United States if otherwise up to standard. Re-marking or relabeling that would be misleading is not permitted in the zone. Substandard foods and drugs may, in certain cases, be reconditioned to meet the requirements of the Food, Drug, and Cosmetics Act.

There is no time limit as to how long foreign merchandise may be stored in a zone, or when it must be entered into customs territory, re-exported, or destroyed.

Transfer of Goods in Bonded Warehouses

Foreign merchandise in Customs bonded warehouses may be transferred to the zone at any time before the limitation on its retention in the bonded warehouse expires, but such a transfer to the zone may be made only for the purpose of eventual exportation, destruction, or permanent storage.

When foreign merchandise is transferred to the zone from Customs bonded warehouses, the bond is cancelled and all obligations in regard to duty payment, or as to the time when the merchandise is to be reexported, are terminated. Similarly, the owner of domestic merchandise stored in Internal Revenue bonded warehouses may transfer his goods to a zone and obtain cancellation of bonds. In addition, domestic goods moved into a zone under zone restricted status are considered exported upon entering the zone for purposes of excise and other internal revenue tax rebates. A manufacturer, operating in customs territory and using dutiable imported materials in his product, may also obtain drawback of duties paid or cancellation of bond, upon transferring the product to the zone for export and complying with the appropriate regulations.

Location of, and general information on United States Foreign-Trade Zones may be obtained from the Foreign-Trade Zones Board, Department of Commerce, Washington, D.C. 20230.

appendix

1 **Invoices**

Type of Invoice Required—Section 141.83, Customs Regulations, 65.

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Special Summary Steel Invoice, Form 5520, 67.

2 **Additional Information** Required for Certain Classes of Merchandise—Section 141.89, Customs Regulations, 68.

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4 **Other Forms**

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CF 5297—Corporate Surety Power of Attorney, 84.

CF 301—Customs Bond, 85-86.

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§ 141.83 Type of invoice required.

(a) *Special Customs Invoice.*

The requirement for a special Customs invoice was eliminated by the Customs Service effective May 10, 1985. Importers bringing commercial shipments with transaction value of $500 or more into the United States will provide a commercial invoice containing the data required by Section 141.86 of the Customs Regulations. The commercial invoice should also show the country of origin of the merchandise, all goods or services furnished for the production of the merchandise (e.g. assists such as dies, molds, tools, engineering work) not included in the invoice price and, each invoice should identify by name a responsible individual who has knowledge of the facts of the transaction.

(b) *Special summary invoice.*

A special summary invoice shall be presented for each shipment of merchandise described in § 141.89(b). The district director may waive production of a special Customs invoice (Customs Form 5515) if a special summary invoice is required. [TD 78-53.]

(c) *Commercial invoice.*

(1) A commercial invoice shall be filed for each shipment of imported merchandise not required by paragraph (a) to have a special Customs invoice and not exempted by paragraph (d) from both a Special Customs Invoice and a commercial invoice. The commercial invoice shall be prepared in the manner customary in the trade, contain the information required by Sections 141.86 through 141.89, and substantiate the statistical information required by Section 141.61(e) to be given on the entry, entry summary, or withdrawal documentation.

(2) The district director may accept a copy of a required commercial invoice in place of the original. A copy, other than a photostatic or photography copy, shall contain a declaration by the foreign seller, the shipper, or the importer that it is a true copy. [TDs 78-53, 79-221.]

(d) *Special Customs or commercial invoice not required.*

A special Customs invoice or a commercial invoice shall not be required in connection with the filing of the entry, entry summary, or withdrawal documentation for merchandise listed in this paragraph. The importer, however, shall present any invoice, memorandum invoice or bill pertaining to the merchandise which may be in his possession or available to him. If no invoice or bill is available, a pro forma (or substitute) invoice, as provided for in Section 141.85, shall be filed, and shall contain information adequate for the examination of merchandise and the determination of duties, and information and documentation which verify the information required for statistical purposes by Section 141.61(e). The merchandise subject to the foregoing requirements is as follows: (TDs 78-53, 79-221.]

(1) Merchandise having an aggregate purchase price or value, as specified in paragraph (a) of this section, of $500 or less.

(2) Merchandise not intended for sale or any commercial use in its imported condition or any other form, and not brought in on commission for any person other than the importer.

(3) [Reserved.]

(4) [Reserved.]

(5) Merchandise returned to the United States after having been exported for repairs or alteration under item 806.20 or 806.30, Tariff Schedules of the United States (19 U.S.C. 1202).

(6) Merchandise shipped abroad, not delivered to the consignee, and returned to the United States.

(7) Merchandise exported from continuous Customs custody within 6 months after the date of entry.

(8) Merchandise consigned to, or entered in the name of, any agency of the U.S. Government.

(9) Merchandise for which an appraisement entry is accepted.

(10) Merchandise entered under a temporary importation bond or a permanent exhibition bond.

(11) Merchandise provided for in section 465 or 466, Traffic Act of 1930 (19 U.S.C. 1465 or 1466), which pertain to certain equipment, repair parts, and supplies for vessels.

(12) Merchandise imported as supplies, stores, and equipment of the importing carrier and subsequently made subject to entry pursuant to section 466, Tariff Act of 1930, as amended (19 U.S.C. 1446).

(13) Ballast (not including cargo used for ballast) landed from a vessel and delivered for consumption.

(14) Merchandise, whether privileged or nonprivileged, resulting from manipulation or manufacture in a foreign trade zone.

(15) Screenings contained in bulk importations of grain or seeds.

Note: *The requirement for a special Customs invoice was waived by the Customs Service on March 1, 1982. However, it may still be used. If a commercial invoice is used, it must be signed by the seller and shipper or their agents.*

PRO FORMA INVOICE

Importers Statement of Value or the Price Paid in the Form of an Invoice

Not being in possession of a special or commercial seller's or shipper's invoice I request that you accept the statement of value or the the price paid in the form of an invoice submitted below:

Name of shipper _____ address _____

Name of seller _____ address _____

Name of consignee _____ address _____

Name of purchaser _____ address _____

The merchandise (has) (has not) been purchased or agreed to be purchased by me. The prices, or in the case of consigned goods the values, given below are true and correct to the best of my knowledge and belief, and are based upon (check basis with an "X"):

(a) The prices paid or agreed to be paid ( ) as per order dated _____

(b) Advices from exporter by letter ( ) by cable ( ) dated _____

(c) Comparative values of shipments previously received ( ) dated _____

(d) Knowledge of the market in the country of exportation ( )

(e) Knowledge of the market in the United States (if U.S. value) ( )

(f) Advices of the District Director of Customs ( )

(g) Other ( )

A	B	C	D	E	F	G
Case marks numbers	Manufacturer's item number symbol or brand	Quantities and full description	Unit purchase price (currency)	Total purchase price (currency)	Unit foreign value	Total foreign value

Check which of the charges below are, and which are not, included in the prices listed in columns "D" and "E":

	Amount	Included	Not included		Amount	Included	Not included
Packing				Lighterage			
Cartage				Ocean freight			
Inland freight				U.S. duties			
Wharfage and loading abroad				Other charges (identify by name and amount)			
Country of origin				Total			

If any other invoice is received, I will immediately file it with the District Director of Customs.

Date _____ Signature of person making invoice _____

Title and firm name _____

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE
19 U.S.C. 1481, 1482, 1484

SPECIAL SUMMARY STEEL INVOICE

19 CFR 141.89(b)

(Prepare in Duplicate)

FORM APPROVED.
O.M.B. No. 1515-0083

1. SELLER

2. DOCUMENT NO.

3. INVOICE NO. AND DATE

5. REFERENCES

6. PRODUCER IF OTHER THAN SELLER (Name and Address)

7. BUYER

8. IMPORTER

Importer of Record? ☐ Yes ☐ No

9. ORIGIN OF GOODS

10. DATE PRICE TERMS AGREED

11. CURRENCY/EXCH RATE (If fixed or Agreed)

12. TERMS OF SALE, PAYMENTS AND DISCOUNTS

4. CODES FOR COLUMN 18

C - Width
D - Length
E - Edging
F - Chemistry
G - Quality (e.g. commercial deep drawing)
H - Heat treating
I - Coating
J - Inspection and testing
K - Surface treatments
OTHER(S)--Specify:
L -
M -
N -

13. MARKS AND NUMBERS	14. AISI Category	15. DESCRIPTION OF GOODS (INCLUDE SPECIFICATIONS)	16. QUANTITY	17. BASE PRICE	18. EXTRAS a. code	18. EXTRAS b. price	19. UNIT PRICE a. home mkt.	19. UNIT PRICE b. invoice	19. UNIT PRICE c. resale	20. INVOICE TOTALS

21. ☐ If the production of these goods involved furnishing goods or services to the seller *(e.g., assists such as dies, molds, tools, engineering work)* and the value is not included in the invoice price, check Box 21 and explain above.

22. DECLARATION OF SELLER/SHIPPER (OR AGENT)

I declare:

(A) ☐ If there are any commissions, rebates, drawbacks, or bounties allowed upon exportation of goods, I have checked Box (A) and itemized separately above.

(B) ☐ If any unrelated incentives or reimbursements of dumping duties, or other inducements not reflected in this invoice have been, or will be, paid, granted, or received in connection with the sale of these goods, I have checked Box (B) and explained above.

I further declare that there is no other invoice differing from this one (unless otherwise described above) and that all statements contained in this invoice and declaration are true and correct.

SIGNATURE OF SELLER/SHIPPER (OR AGENT): X

31. DECLARATION OF IMPORTER (When providing information)

Merchandise ☐ has ☐ has not been resold as of this date.

IMPORTER SIGNATURE: X

DATE:

23. PACKING COSTS	
24. TRANSPORTATION COSTS TO POINT OF EXPORTATION	
25. OCEAN, AIR, OR INTERNATIONAL FREIGHT	
26. INSURANCE COSTS	
27. FREIGHT FROM U.S. POINT OF IMPORTATION	
28. OTHER COSTS *(Specify)*	
29. DUTY	
30. SELLING EXPENSES & PROCESSING	

Customs Form 5520 (090685)

052-415

2 additional information required

§ 141.89 Additional information for certain classes of merchandise (Chapter 1, CFR, Title 19)

Aluminum and alloys of aluminum classifiable under items 618.02, 618.04, 618.06 or 618.10, Tariff Schedules of the United States (T.D. 53092, 55977, 56143)—Statement of the percentages by weight of any metallic element used as an alloy in the articles.

Ball or roller bearings classifiable under item 680.35, Tariff Schedules of the United States (T.D. 68-306)—(1) Type of bearing (i.e., whether a ball or roller bearing); (2) If a roller bearing, whether a spherical, tapered, or other than a spherical or tapered bearing; (3) Whether a combination bearing (i.e., a bearing containing both ball and roller bearings, etc.); and (4) If a ball bearing (not including ball bearing with integral shafts or parts of ball bearings), whether or not radial, the following: (a) Outside diameter of each bearing; (b) Net weight of each bearing; and (c) Whether or not a radial bearing (the definition of radial bearing is, for customs purposes, an anti-friction bearing primarily designed to support a load perpendicular to shaft axis).

Beads (T.D. 50088, 55977)—(1) The length of the string, if strung; (2) the size of the beads expressed in millimeters; (3) the material of which the beads are composed; i.e., ivory glass, imitation pearl, etc.

Braids, nonelastic, and other nonelastic braided materials suitable for making or ornamenting headware, classifiable under item 703.80 or 703.85 (T.D. 49501, 52020, 52114, 55977)—A statement as to whether or not the article has been bleached or colored.

Colors, dyes, stains and related products classifiable under the provisions of schedule 4, part IC, Tariff Schedules of the United States, except item 406.80 (T.D. 53593, 53688, 56233)—The specifications set forth in "Schedule A" of section 152.42(c) of this chapter are required to be furnished with each invoice of these products on separate sheets of paper under the conditions which follow and with the exceptions noted:

(a) The information is not required for second and successive shipments of identical merchandise of the same name and strength if a reference is given to the date and the port of entry of the first shipment.

(b) The information specified in items 10 through 15 is required only when the Schultz number, item 7, the color index number, item 8, and U.S. standard number, item 9, are not given.

(c) The following is substituted for items 4 and 5:

4. Name(s) under which sold in country of production.
5. Name(s) of comparable American-made product with name of U.S. manufacturer (if none or unknown, so state).

Copper, articles classifiable under the provisions of schedule 6, part 2C, Tariff Schedules of the United States (T.D. 45878, 50158, 55977)—A statement of the weight of articles of copper and a statement of percentage of copper content by weight of articles dutiable on their copper content.

Copper bearing ores and concentrates classifiable under items 602.25, 602.30, 602.31, 603.50, 603.55 or 603.65 (T.D. 45878, 50158, 55977)—Statement as to the weight of the article and the weight of the copper content.

Cotton fabrics classifiable under the following items of the Tariff Schedules of the United States; schedule 3, part 1A—Cotton: items 301.60 through 301.98, and items 302.—, and 303.20; schedule 3, part 3A—Woven fabrics of cotton; all items except items 332.10 and 332.40; schedule 3, part 6A—Handkerchiefs; items 370.24 through 370.68; schedule 3, part 6B—Mufflers, etc.; item 372.15; schedule 3, part 6C—Hosiery; item 374.40; schedule 3, part 6E—Underwear; item 378.15 (T.D. 49083, 55977)—(1) Marks on shipping packages; (2) numbers on shipping packages; (3) Date of acceptance of the order by the seller; (4) Customer's call number, if any; (5) Manufacturer's marks, numbers, or symbols under which the merchandise is sold in the home market; (6) Exact width of the merchandise; (7) Detailed description of the merchandise; trade name, if any; whether bleached, unbleached, printed, dyed, or colored; if composed of cotton and other materials, state chief value first and give percentage (value) of each component; (8) Number of single threads per square inch (All ply yarns must be counted in accordance with the number of single threads contained in the yarn; to illustrate, a cloth containing 100 two-ply yarns in 1 square inch must be reported as 200 single threads); (9) Exact weight per square yard, in ounces; (1) Average yarn number (Use this formula:

$$\frac{\text{No. of single threads per square inch} \times 24}{\text{No. of ounces per square yard} \times 35} = \text{Average yarn no.};$$

(11) Yard size or sizes in the warp; (12) Yarn size or sizes in the filling; (13) Number of colors or kinds (different yarn sizes or materials) in the filling; (14) How the cloth was woven (if on plain loom without attachment, indicate (plain); if with eight or more harnesses (0/8H), if with Jacquard (Jacq), if with Swivel (Swiv), if with Lappet (Lpt.)). A standard commercial invoice may be used for furnishing the information required above.

Cotton raw—See section 151.82 of this chapter for additional information required on invoices.

Cotton waste (T.D. 50044)—(1) The name by which the cotton waste is known, such as "cotton card strips;" "cotton comber waste;" "cotton lap waste;" "cotton sliver waste;" "cotton roving waste;" "cotton fly waste;" etc.; (2) Whether the length of the staple of the cotton from which any cotton card strips covered by the invoice were made is less than 1-3/16 inches or is 1-3/16 inches or more; (3) Whether the length of the staple of the cotton from which any cotton comber waste covered by the invoice was made is less than 1-3/16 inches or is 1-3/16 inches or more.

Dairy products from France, the United Kingdom, West Germany, Luxembourg, Ireland, the Netherlands, Denmark, Italy, and Belgium, classifiable under schedule 1, part 4, subparts A, B, C, and D, and item 184.75, Tariff Schedules of the United States (19 U.S.C. 1202)—(1) In the case of cheese, the generic name of the cheese or, if processed, grated, or powdered, the name or type of cheese from which it was derived, and in the case of other dairy products, the name and/or description of the product which corresponds to the description of the product as it is set forth in the Common Customs Tariff of the European Communities; and (2) The 6-digit code number which corresponds to the description for the product in the Common Customs Tariff of the European Communities and is published from time to time in the *Official Journal of the European Communities* in matters pertaining to the export refund.

Earthenware or crockeryware composed of a nonvitrified absorbent body (including white granite and semiporcelain earthenware and cream-colored ware, stoneware, and terra cotta, but not including common brown, gray, red, or yellow earthenware), embossed or plain; common salt-glazed stoneware; stoneware or earthenware crucibles; Rockingham earthenware; china, porcelain, or other vitrified wares, composed of a vitrified nonabsorbent body which, when broken, shows a vitrified, vitreous, semivitrified, or semivitreous fracture; and bisque or Parian ware (T.D. 53236)—(1) If in sets, the kinds of article composing each kind of

set, and the quantity of each kind of article in each set in the shipment; (2) the exact maximum diameter, expressed in inches, of each size of all plates in the shipment; (3) The unit value for each style and size of plate, cup, saucer, or other separate piece in the shipment.

Fish or fish livers imported in airtight containers classifiable under schedule 1, part 3C, Tariff Schedules of the United States (T.D. 50724, 49640, 55977)—(1) Statement whether the articles contain an oil, fat, or grease which has had a separate existence as an oil, fat, or grease; (2) The name and quantity of any such oil, fat, or grease.

Flax, hemp, and ramie fabrics and articles classifiable under the following items of the Tariff Schedules of the United States: 335.80, 335.90, 355.55, 356.25, 356.70, 356.80, 363.35, 366.30, 366.33, 366.36, 366.48, 366.81, 370.72, 370.76, or 370.80, and tablecloths, table scarves, and table doilies classifiable under items 366.51 or 366.84 (T.D. 50083, 55977, 56503)—(1) Customer's call number, if any; (2) Manufacturer's name and the manufacturer's marks, numbers, or symbols under which the merchandise is sold in the home market; (3) Exact width of the merchandise if in the piece; otherwise the size; (4) If composed of cotton and other materials, state chief value first and give percentage (value) of each component. State also the finish of the fabric or article, e.g., "loom state," "bleached," "commercial or vat dyed;" (5) Actual number of threads contained in the fabric per square inch, in condition exported. Each thread is counted as one whether or not such thread contains two or more single strands of yarn twisted to make a complete thread. To illustrate, a cloth containing 100 two-ply yarns per square inch must be reported as 100 threads; (6) Exact weight per square yard, in ounces; (7) Whether "hand hemmed," "machine hemmed," "unhemmed," or "in piece." Customs Form 5519 is acceptable for furnishing the additional information required above.

Footwear classifiable under schedule 7, part 1A, Tariff Schedules of the United States (T.D. 56254, 56297)—

(1) The importer's number (if any).
(2) The manufacturer's number under which the merchandise is sold in the home market.
(3) A detailed description of the merchandise.
(4) Category as listed below:
  (a) Huaraches
  (b) McKay—sewed footwear
  (c) Moccasins
  (d) Turn or turned footwear
  (e) Welt footwear
  (f) Footwear with molded soles laced to uppers
  (g) Slippers
  (h) Soled moccasins
  (i) Cement footwear
  (j) Soft sole footwear
  (k) Stitchdown footwear
  (l) Footwear with soles vulcanized to uppers or with soles simultaneously molded and attached to uppers
  (m) Other footwear than listed (a) to (l).
(5) Materials of sole.
(6) Material of chief value of sole.
(7) Materials of upper.
(8) Materials of chief value of upper.
(9) Material of chief value of shoe. If the shoe is composed essentially of rubber, state the percent by value of material and percent by value of synthetic rubber (if any).
(10) (a) Percentage of weight of entire shoe for fibers
  (b) Percentage of weight of entire shoe for rubber
  (c) Percentage of weight of entire shoe for plastics.
(11) Percentage of area of materials of exterior surface of upper.
(12) Gender as listed below:
  (a) Footwear for men
  (b) Footwear for youths and boys
  (c) Footwear for women
  (d) Footwear for misses
  (e) Footwear for children
  (f) Footwear for infants.
(13) Type as listed below:
  (a) Athletic footwear
  (b) Work footwear
  (c) Ski boots
  (d) Casual footwear
  (e) Other types of footwear.
(14) Height of footwear:
  (a) Oxford height
  (b) Other height.
(15) The number of pairs of each number shipped.
(16) The unit price per pair in the currency of purchase.
(17) The total value for quantity invoiced. Discount if any may be deducted at foot of invoice.
(18) If such (the same) or similar merchandise is sold, at wholesale, for home consumption, the current unit price in home currency.

Customs Form 5523 may be used for furnishing the additional information required above.

Fur products and furs (T.D. 53064)—(1) Name or names (as set forth in the Fur Products Name Guide (16 CFR 301.0) of the animal or animals that produced the fur, and such qualifying statements as may be required pursuant to section 7(c) of the Fur Products Labeling Act (15 U.S.C. 69e(c)); (2) A statement that the fur product contains or is composed of used fur, when such is the fact; (3) A statement that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact; (4) A statement that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact; (5) Name and address of the manufacturer of the fur product; (6) Name of the country of origin of the furs or those contained in the fur product.

Glassware and other glass products classifiable under schedule 5, part 3C, Tariff Schedules of the United States, when imported in sets (T.D. 53079, 55977)—Statement of the separate value of each component article in the set.

Grain or grain and screenings (T.D. 51284)—Statement on customs invoices for cultivated grain or grain and screenings that no screenings are included with the grain, or, if there are screenings included, the percentage of the shipment which consists of screenings commingled with the principal grain.

Hats or headwear classifiable under item 702.37 or 702.40 (T.D. 52114, 55977)—Statement as to whether or not the article has been bleached or colored.

Iron or steel, articles of, classifiable under schedule 6, part 2B, Tariff Schedules of the United States (T.D. 53092, 55977)—Statement of the percentages by weight of any metallic element used as an alloy in the articles.

Iron oxide (T.D. 49989, 50107)—For iron oxide to which a reduced rate of duty is applicable, a statement of the method of preparation of the oxide, together with the patent number, if any.

Jewelry (T.D. 51678)—(1) Design or motif; (2) Component material of chief value; (3) Whether or not the metal in the article is plated with platinum, gold, or silver, or is colored with gold lacquer.

Lumber, rough, dressed, or worked, classifiable under schedule 2, part 1B, Tariff Schedules of the United States, and dutiable on the basis of board measure (T.D. 50498, 51906, 55977)—Quantity in board feet of the rough lumber before dressing.

Machine parts (T.D. 51616)—Statement specifying the kind of machine for which the parts are intended, or if this is not known

to the shipper, the kind or kinds of machines for which the parts are suitable.

Madeira embroideries (T.D. 49988)—(1) With respect to the materials used, furnish: (a) Country of production; (b) Width of the material in the piece; (c) Name of the manufacturer; (d) Kind of material, indicating manufacturer's quality number; (e) Landed cost of the material used in each item; (f) Date of the order; (g) Date of the invoice; (h) Invoice unit value in the currency of the purchase; (i) Discount from purchase price allowed, if any; (2) With respect to the finished embroidered articles, furnish: (a) Manufacturer's name, design number, and quality number; (b) Importer's design number, if any; (c) Finished size; (d) Number of embroidery points per unit of quantity; (e) For each item, the cost of embroidery labor and the cost of sewing, if any, per unit of quantity; (f) Total for overhead and profit added in arriving at the price or value of the merchandise covered by the invoice.

Metal-working machine tools classifiable under items 674.32 and 674.35, Tariff Schedules of the United States (T.D. 70-1)—Type of machine tools in accordance with the following definitions:

Numerically controlled machines are machines whose motions are controlled by devices such as tape, computers, or punched cards.

Drilling machines are machines designed for the primary purpose of cutting an initial hole in a workpiece using a rotation tool.

Radial drilling machines consist of a base, vertical cylindrical column, radial arm, and spindle headstock. The radial arm supports the spindle headstock which can be positioned at varying distances from the column; the arm can be moved up or down on the column and rotated around the column.

Upright single-spindle drilling machines consist of a base, table, vertical column, and spindle head. The spindle head is mounted on the column and moves only in the vertical direction. The worktable and/or base is located below the spindle.

Milling machines are machines designed for the primary purpose of removing metal by multiple tooth cutters mounted on rotating arbors or spindles.

Profile and duplicating milling machines consist of any milling machine equipped with a tracing device for controlling the path of the milling cutter.

Knee-type milling machines consist of a base, vertical column, knee, horizontal table, and spindle. A spindle driving the cutter is mounted horizontally or vertically in or on the column. A horizontal movable table which holds the workpiece is mounted on a knee, which projects from the column. The knee can be raised or lowered on the column.

Bed-type milling machines consist of a base (bed), vertical column, horizontal or vertical spindle and table. The table moves horizontally on the bed. The spindle is fixed or moves vertically on the column.

Boring machines are machines designed for the primary purpose of enlarging or finishing an existing hole in a workpiece by means of a rotating single-point tool.

Vertical boring machines, including vertical turret lathes consist of one or two ram (or turret) heads mounted on a cross rail supported by a column or columns. The cutting tool or tools traverse against the work as the work revolves on a circular table. One or two horiziontally opposed side heads are also provided.

Combination boring, drilling, and milling machines, horizontal spindle, consist of a vertical column mounted on a solid bed or movable base. The column supports a horizontally mounted headstock containing the spindle that feeds various tooling into the workpiece. The word is held on a movable table supported by the bed or is mounted on floor plates. Feed motions of the headstock and/or table are longitudinal, transverse, and vertical.

Combination boring, drilling, and milling machines, vertical spindle, consist of a vertical column mounted on a solid bed or movable base. The column supports a vertically mounted headstock containing the spindle that feeds various tooling into the workpiece. The work is held on a movable table supported by the bed or is mounted on floor plates. Feed motions of the headstock and/or table are longitudinal, transverse, and vertical.

Metal-cutting machine tools are metal-working machine tools which shape or surface-work metal by removing metal either in the form of chips, dust, swarf or similar forms or by electrical or chemical erosion techniques.

Engine lathes consist of a bed, headstock, tailstock and carriage. The workpiece is held between a center on the tailstock and an appropriate work-holding device on the headstock spindle. The tool is secured to a cross slide which is mounted on a carriage that moves longitudinally along the bed of the machine.

Turret lathes consist of a bed, headstock, cross slide and turret. The workpiece is held in the collet, chuck, face plate, or fixture which is attached to the spindle. The tools on the turret are positioned and fed into the workpiece.

Single-spindle automatic bar or chucking machines consist of a bed, headstock, cross slides and turret. The workpiece is held in the collet, chuck, face plate or fixture which is attached to the spindle. The tools on the turret are positioned and fed into the workpiece. All machining motions are preselected and are automatically controlled.

Multiple-spindle automatic bar or chucking machines have two or more drive spindles in order that two or more workpieces can be rotated simultaneously. Automatic units are designed to hold the workpiece in each of a number of spindle collets or chucks, which index clockwise from station to station in order to present the workpiece successively to a series of cutting tools. All machining motions are preselected and are automatically controlled.

Grinding machines are machines other than honing or lapping machines designed for the primary purpose of removing metal from a workpiece with abrasives.

External cylindrical grinders consist of a base, table, headstock, footstock, and wheelhead. The table is mounted on the base. The headstock and footstock are mounted on the table and are used to support and rotate the workpiece. The rotating abrasive wheel is mounted on the wheelhead spindle. The wheel is fed against the rotating workpiece.

Internal cylindrical grinders consist of a base, table, wheelhead, and headstock. The table is mounted on the base. The headstock is fixed to the base. The wheelhead is mounted on the table. The rotating abrasive wheel is mounted on the wheelhead spindle and is fed into the workpiece bore which is also rotating.

Surface (flat) grinders consist of a base, table, column, and wheelhead. The table is mounted on the base. The wheelhead is attached to the column. The axis of the wheelhead spindle is horizontal. The workpiece which is mounted on the table reciprocates under the rotating abrasive wheel which is mounted on the wheelhead spindle.

Sawing machines are designed primarily for parting or cutting-off operations by a tool referred to as a saw, which could be in the form of a blade, band, or disc.

Electrical discharge machines are machines designed to remove metal by means of an electrical discharge spark erosion.

Metal-forming machine tools are metal-working machine tools other than metal-cutting machine tools.

Punching and shearing machines pierce, blank, notch, or shear workpieces by utilizing a power-driven ram to force punches or blades through work that is supported by the table of the machine.

Mechanical presses, open back inclinable consist of a base (legs), "C" frame and ram. The C frame is mounted on a pivot point

connected in the base (legs). The ram is mounted in the C frame. The principal identifying characteristic of the press is its ability to tilt back on its base (legs).

Needlework tapestries classifiable under schedule 3, part 5C, Tariff Schedules of the United States (T.D. 50369, 55977)—A statement of the separate cost of each fiber used.

Newsreel films (T.D. 44703, 44938, 55977)—(1) Statement of footage and title of each subject; (2) Declaration of shipper, cameraman or other person with knowledge of the facts identifying the films with the invoice and stating that the basic films were to the best of his knowledge and belief exposed abroad and returned for use as newsreel; (3) Declaration of importer that he believes the films entered by him are the ones covered by the preceding declaration and that the films are intended for use as newsreel.

Oils or products of such oils, classifiable under schedule 4, part 8A, Tariff Schedules of the United States, and subject to a specific rate of duty (T.D. 49640, 55977)—State if article is derived from coconut, palm-kernel, palm oil, or other.

Paper and paper products (other than books, newspapers, and periodicals which are not fashion periodicals) bearing printing of any kind, whether or not the printing was done by a lithographic process (T.D. 53056)—Statement of the process employed in printing the paper or paper products.

Screenings or scalpings of grains or seeds (T.D. 51096)—(1) Whether the commodity is the product of a screening process; (2) If so, whether any cultivated grains have been added to such commodity; (3) If any such grains have been added, the kind and percentage of each.

Textile fiber products (T.D. 55085)—(1) The constituent fiber or combination of fibers in the textile fiber product, designating with equal prominence each natural or manufactured fiber in the textile fiber product by its generic name in the order of predominance by the weight thereof if the weight of such fiber is 5 per centum or more of the total fiber weight of the product; (2) The percentage of each fiber present, by weight, in the total fiber content of the textile fiber product, exclusive of ornamentation not exceeding 5 per centum by weight of the total fiber content; (3) The name, or other identification issued and registered by the Federal Trade Commission, of the manufacturer of the product or one or more persons subject to section 3 of the Textile Fiber Products Identification Act (15 U.S.C. 70a) with respect to such product; (4) The name of the country where processed or manufactured.

Tobacco (including tobacco in its natural state) (T.D. 44854, 45871)—(1) Specify in detail the character of the tobacco in each bale by giving (a) Country and province of origin, (b) year of production, (c) grade or grades in each bale, (d) number of carrots or pounds of each grade if more than one grade is packed in a bale, (e) the time when, place where, and from whom purchased, (f) price paid or to be paid for each bale or package, or price for the vega or lot if purchased in bulk, or if obtained otherwise than by purchase state the actual market value per bale; (2) If an invoice covers or includes bales of tobacco which are part of a vega or lot purchased in bulk, the invoice must contain or be accompanied by a full description of the vega or lot purchased; or if such description has been furnished with a previous importation, the date and identity of such shipment; (3) Packages or bales containing only filler leaf shall be invoiced as filler; when containing filler and wrapper but not more than 35 percent of wrapper, shall be invoiced as mixed; and when containing more than 35 percent of wrapper, shall be invoiced as wrapper.

Toys classifiable under item 737.25 or 737.30, Tariff Schedules of the United States (T.D. 49859, 50107, 52160, 55977)—Specify the actual overall height of each stuffed figure of an animate object not having a spring mechanism.

Watch movements, and time-keeping, time-measuring, or time-indicating mechanisms, devices, and instruments, having 17 or less jewels, and dutiable under schedule 7, part 2E, Tariff Schedules of the United States, but not including movements designed for clocks and so stated on the invoice unless and until such time as the Commissioner of Customs issues a decision applicable to such movements (T.D. 54286, 55977, 56468)—For all commercial shipments of such articles, there shall be required to be shown on the invoice, or on a separate sheet attached to and constituting a part of the invoice, such information as will reflect with respect to each group, class, category, type, or model of instrument in the shipment, the following:

(A) The comercial description (ebauche calibre number and ligne size) and style of each class of watch movement, time-keeping mechanism, device, or instrument covered by the invoice.

(B) The name of the manufacturer or assembler of the exported articles, and also the name of the supplier when the manufacturer or assembler is not the supplier.

(C) As to watch movements, time-keeping mechanisms, devices, or instruments, after the complete instruments were first assembled:

	Yes	No
(1) Were they tested or oberved at different temperatures?		
(2) Were they tested or observed for uniformity in rate as the mainspring runs down?		
(3) Were corrections made to eliminate or reduce the differences in rates revealed by the tests in (1) and (2)?		
(4) Were they tested or observed for 24 hours or more in more than two positions and was there a prescribed tolerance of not more than 15 seconds of perfect time in 24 hours in such positions?		
(5) Were they marked with a number of position adjustments different from the number of positions (at least three) in which so tested or observed and in which a tolerance of not more than 15 seconds of perfect time in 24 hours was met?		

(D) If the answers are "yes" to questions (3) or (5), under (C) immediately above, and the instruments are marked unadjusted, or are marked with a lesser number of position adjustments than the number of positions in which tested for 24 hours or more, and in which a tolerance of not more than 15 seconds of perfect time in 24 hours was met, explain in detail. However, when the foregoing information has been filed once directly with the U.S. Customs Service, Washington, D.C. 20229, in quadruplicate, with one additional copy for each port of entry at which entries may be filed, invoices covering shipments of that item to the ports named in the original statement or in subsequent statements filed for additional ports need only identify the item and the statement already filed. This information will then be acceptable until the facts about the item change, at which time a new statement is necessary.

Wool, boiled classifiable under item 307.30 or 307.18, Tariff Schedules of the United States (T.D. 69-236). A certification in the following form signed by a government official of the country of exportation having actual knowledge of the pertinent facts:

I hereby certify that the wool in the shipment described below consists of wool fibers recovered by means of a sulfuric acid boil from (raw) (tanned) (raw and tanned) sheepskin scrap.

Date _____ Signature _____

Title or position _____

No. of bales _____

Marks and Nos. _____

Other identification _____

Wool products, except carpets, rugs, mats, and upholsteries, and wool products made more than 20 years before importation (T.D. 50388, 51019)—(1) The percentage of the total fiber weight of the

wool product, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (a) wool; (b) recycled wool; (c) each fiber other than wool if said percentage by weight of such fiber if 5 5 per centum or more; and (d) the aggregate of all other fibers; (2) The maximum percentage of the total weight of the wool product, of any nonfibrous loading, filling, or adulterating matter; and (3) The name of the manufacturer of the wool product, except when such product consists of mixed wastes, residues, and similar merchandise obtained from several suppliers or unknown sources.

Wool and hair—see section 151.62 of this chapter for additional information required on invoices.

Woven fabrics of man-made fibers, colored, classifiable under item 338.30, Tariff Schedules of the United States (19 U.S.C. 1202)—(1) Whether the merchandise is yarn dyed; and (2) The thread count per inch (treating ply yarns as single threads) in the wrap and in the filling.

Items or classes of goods may be added to or removed from the list from time to time

TITLE II—CUSTOMS VALUATION

Subtitle A—Valuation Standards Amendments

SEC. 201. VALUATION OF IMPORTED MERCHANDISE.

(a) VALUATION STANDARDS.—Section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a) is amended to read as follows:

"SEC. 402. VALUE.

"(a) IN GENERAL.—(1) Except as otherwise specifically provided for in this Act, imported merchandise shall be appraised, for the purposes of this Act, on the basis of the following:

"(A) The transaction value provided for under subsection (b).

"(B) The transaction value of identical merchandise provided for under subsection (c), if the value referred to in subparagraph (A) cannot be determined, or can be determined but cannot be used by reason of subsection (b)(2).

"(C) The transaction value of similar merchandise provided for under subsection (c), if the value referred to in subparagraph (B) cannot be determined.

"(D) The deductive value provided for under subsection (d), if the value referred to in subparagraph (C) cannot be determined and if the importer does not request alternative valuation under paragraph (2).

"(E) The computed value provided for under subsection (e), if the value referred to in subparagraph (D) cannot be determined.

"(F) The value provided for under subsection (f), if the value referred to in subparagraph (E) cannot be determined.

"(2) If the value referred to in paragraph (1)(C) cannot be determined with respect to imported merchandise, the merchandise shall be appraised on the basis of the computed value provided for under paragraph (1)(E), rather than the deductive value provided for under paragraph (1)(D), if the importer makes a request to that effect to the customs officer concerned within such time as the Secretary shall prescribe. If the computed value of the merchandise cannot subsequently be determined, the merchandise may not be appraised on the basis of the value referred to in paragraph (1)(F) unless the deductive value of the merchandise cannot be determined under paragraph (1)(D).

"(3) Upon written request therefor by the importer of merchandise, and subject to provisions of law regarding the disclosure of information, the customs officer concerned shall provide the importer with a written explanation of how the value of that merchandise was determined under this section.

"(b) TRANSACTION VALUE OF IMPORTED MERCHANDISE.—(1) The transaction value of imported merchandise is the price actually paid or payable for the merchandise when sold for exportation to the United States, plus amounts equal to—

"(A) the packing costs incurred by the buyer with respect to the imported merchandise;

"(B) any selling commission incurred by the buyer with respect to the imported merchandise;

"(C) the value, apportioned as appropriate, of any assist;

"(D) any royalty or license fee related to the imported merchandise that the buyer is required to pay, directly or indirectly, as a condition of the sale of the imported merchandise for exportation to the United States; and

"(E) the proceeds of any subsequent resale, disposal, or use of the imported merchandise that accrue, directly or indirectly, to the seller.

The price actually paid or payable for imported merchandise shall be increased by the amounts attributable to the items (and no others) described in subparagraphs (A) through (E) only to the extent that each such amount (i) is not otherwise included within the price actually paid or payable; and (ii) is based on sufficient information. If sufficient information is not available, for any reason, with respect to any amount referred to in the preceding sentence, the transaction value of the imported merchandise concerned shall be treated, for purposes of this section, as one that cannot be determined.

"(2)(A) The transaction value of imported merchandise determined under paragraph (1) shall be the appraised value of that merchandise for the purposes of this Act only if—

"(i) there are no restrictions on the disposition or use of the imported merchandise by the buyer other than restrictions that—

"(I) are imposed or required by law,

"(II) limit the geographical area in which the merchandise may be resold, or

"(III) do not substantially affect the value of the merchandise;

"(ii) the sale of, or the price actually paid or payable for, the imported merchandise is not subject to any condition or consideration for which a value cannot be determined with respect to the imported merchandise;

"(iii) no part of the proceeds of any subsequent resale, disposal, or use of the imported merchandise by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment therefor can be made under paragraph (1)(E); and

"(iv) the buyer and seller are not related, or the buyer and seller are related but the transaction value is acceptable, for purposes of this subsection, under subparagraph (B).

"(B) The transaction value between a related buyer and seller is acceptable for the purposes of this subsection if an examination of the circumstances of the sale of the imported merchandise indicates that the relationship between such buyer and seller did not influence the price actually paid or payable; or if the transaction value of the imported merchandise closely approximates—

"(i) the transaction value of identical merchandise, or of similar merchandise, in sales to unrelated buyers in the United States; or

Amended by P.L. 96-490, effective 1/1/81.

"(ii) the deductive value or computed value for identical merchandise or similar merchandise;

but only if each value referred to in clause (i) or (ii) that is used for comparison relates to merchandise that was exported to the United States at or about the same time as the imported merchandise.

"(C) In applying the values used for comparison purposes under subparagraph (B), there shall be taken into account differences with respect to the sales involved (if such differences are based on sufficient

information whether supplied by the buyer or otherwise available to the customs officer concerned) in—

"(i) commercial levels;

"(ii) quantity levels;

"(iii) the costs, commissions, values, fees, and proceeds described in paragraph (1); and

"(iv) the costs incurred by the seller in sales in which he and the buyer are not related that are not incurred by the seller in sales in which he and the buyer are related.

"(3) The transaction value of imported merchandise does not include any of the following, if identified separately from the price actually paid or payable and from any cost or other item referred to in paragraph (1):

"(A) Any reasonable cost or charge that is incurred for—

"(i) the construction, erection, assembly, or maintenance of, or the technical assistance provided with respect to, the merchandise after its importation into the United States; or

"(ii) the transportation of the merchandise after such importation.

"(B) The customs duties and other Federal taxes currently payable on the imported merchandise by reason of its importation, and any Federal excise tax on, or measured by the value of, such merchandise for which vendors in the United States are ordinarily liable.

"(4) For purposes of this subsection—

"Price actually paid or payable."

"(A) The term 'price actually paid or payable' means the total payment (whether direct or indirect, and exclusive of any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation in the United States) made, or to be made, for imported merchandise by the buyer to, or for the benefit of, the seller.

"(B) Any rebate of, or other decrease in, the price actually paid or payable that is made or otherwise effected between the buyer and seller after the date of the importation of the merchandise into the United States shall be disregarded in determining the transaction value under paragraph (1).

"(c) TRANSACTION VALUE OF IDENTICAL MERCHANDISE AND SIMILAR MERCHANDISE.—(1) The transaction value of identical merchandise, or of similar merchandise, is the transaction value (acceptable as the appraised value for purposes of this Act under subsection (b) but adjusted under paragraph (2) of this subsection) of imported merchandise that is—

"(A) with respect to the merchandise being appraised, either identical merchandise or similar merchandise, as the case may be; and

"(B) exported to the United States at or about the time that the merchandise being appraised is exported to the United States.

"(2) Transaction values determined under this subsection shall be based on sales of identical merchandise or similar merchandise, as the case may be, at the same commercial level and in substantially the same quantity as the sales of the merchandise being appraised. If no such sale is found, sales of identical merchandise or similar merchandise at either a different commercial level or in different quantities, or both, shall be used, but adjusted to take account of any such difference. Any adjustment made under this paragraph shall be based on sufficient information. If in applying this paragraph with respect to any imported

merchandise, two or more transaction values for identical merchandise, or for similar merchandise, are determined, such imported merchandise shall be appraised on the basis of the lower or lowest of such values.

"(d) DEDUCTIVE VALUE.—(1) For purposes of this subsection, the term 'merchandise concerned' means the merchandise being appraised, identical merchandise, or similar merchandise. "Merchandise concerned."

"(2)(A) The deductive value of the merchandise being appraised is whichever of the following prices (as adjusted under paragraph (3)) is appropriate depending upon when and in what condition the merchandise concerned is sold in the United States:

"(i) If the merchandise concerned is sold in the condition as imported at or about the date of importation of the merchandise being appraised, the price is the unit price at which the merchandise concerned is sold in the greatest aggregate quantity at or about such date.

"(ii) If the merchandise concerned is sold in the condition as imported but not sold at or about the date of importation of the merchandise being appraised, the price is the unit price at which the merchandise concerned is sold in the greatest aggregate quantity after the date of importation of the merchandise being appraised but before the close of the 90th day after the date of such importation.

"(iii) If the merchandise concerned was not sold in the condition as imported and not sold before the close of the 90th day after the date of importation of the merchandise being appraised, the price is the unit price at which the merchandise being appraised, after further processing, is sold in the greatest aggregate quantity before the 180th day after the date of such importation. This clause shall apply to appraisement of merchandise only if the importer so elects and notifies the customs officer concerned of that election within such time as shall be prescribed by the Secretary.

"(B) For purposes of subparagraph (A), the unit price at which merchandise is sold in the greatest aggregate quantity is the unit price at which such merchandise is sold to unrelated persons, at the first commercial level after importation (in cases to which subparagraph (A)(i) or (ii) applies) or after further processing (in cases to which subparagraph (A)(iii) applies) at which such sales take place, in a total volume that is (i) greater than the total volume sold at any other unit price, and (ii) sufficient to establish the unit price. Unit price.

"(3)(A) The price determined under paragraph (2) shall be reduced by an amount equal to—

"(i) any commission usually paid or agreed to be paid, or the addition usually made for profit and general expenses, in connection with sales in the United States of imported merchandise that is of the same class or kind, regardless of the country of exportation as the merchandise concerned;

"(ii) the actual costs and associated costs of transportation and insurance incurred with respect to international shipments of the merchandise concerned from the country of exportation to the United States;

"(iii) The usual costs and associated costs of transportation and insurance incurred with respect to shipments of such merchandise from the place of importation to the place of delivery in the United States, if such costs are not included as a general expense under clause (i);

"(iv) the customs duties and other Federal taxes currently payable on the merchandise concerned by reason of its importation, and any Federal excise tax on, or measured by the value of, such merchandise for which vendors in the United States are ordinarily liable; and

"(v) (but only in the case of a price determined under paragraph (2)(A)(iii)) the value added by the processing of the merchandise after importation to the extent that the value is based on sufficient information relating to cost of such processing.

"(B) For purposes of applying paragraph (A)—

"(i) the deduction made for profits and general expenses shall be based upon the importer's profits and general expenses, unless such profits and general expenses are inconsistent with those reflected in sales in the United States of imported merchandise of the same class or kind, in which case the deduction shall be based on the usual profit and general expenses reflected in such sales, as determined from sufficient information; and

"(ii) any State or local tax imposed on the importer with respect to the sale of imported merchandise shall be treated as a general expense.

"(C) The price determined under paragraph (2) shall be increased (but only to the extent that such costs are not otherwise included) by an amount equal to the packing costs incurred by the importer or the buyer, as the case may be, with respect to the merchandise concerned.

"(D) For purposes of determining the deductive value of imported merchandise, any sale to a person who supplies any assist for use in connection with the production or sale for export of the merchandise concerned shall be disregarded.

"(e) COMPUTED VALUE.—(1) The computed value of imported merchandise is the sum of—

"(A) the cost or value of the materials and the fabrication and other processing of any kind employed in the production of the imported merchandise;

"(B) an amount for profit and general expenses equal to that usually reflected in sales of merchandise of the same class or kind as the imported merchandise that are made by the producers in the country of exportation for export to the United States;

"(C) any assist, if its value is not included under subparagraph (A) or (B); and

"(D) the packing costs.

"(2) For purposes of paragraph (1)—

"(A) the cost or value of materials under paragraph (1)(A) shall not include the amount of any internal tax imposed by the country of exportation that is directly applicable to the materials or their disposition if the tax is remitted or refunded upon the exportation of the merchandise in the production of which the materials were used; and

"(B) the amount for profit and general expenses under paragraph (1)(B) shall be based upon the producer's profits and expenses, unless the producer's profits and expenses are inconsistent with those usually reflected in sales of merchandise of the same class or kind as the imported merchandise that are made by producers in the country of exportation for export to the United States, in which case the amount under paragraph (1)(B) shall be based on the usual profit and general expenses of such producers in such sales, as determined from sufficient information.

"(f) VALUE IF OTHER VALUES CANNOT BE DETERMINED OR USED.—(1) If the value of imported merchandise cannot be determined, or

otherwise used for the purposes of this Act, under subsections (b) through (e), the merchandise shall be appraised for the purposes of this Act on the basis of a value that is derived from the methods set forth in such subsections, with such methods being reasonably adjusted to the extent necessary to arrive at a value.

Imported merchandise, appraisal.

"(2) Imported merchandise may not be appraised, for the purposes of this Act, on the basis of—

"(A) the selling price in the United States of merchandise produced in the United States;

"(B) a system that provides for the appraisement of imported merchandise at the higher of two alternative values;

"(C) the price of merchandise in the domestic market of the country of exportation;

"(D) a cost of production, other than a value determined under subsection (e) for merchandise that is identical merchandise or similar merchandise to the merchandise being appraised;

"(E) the price of merchandise for export to a country other than the United States;

"(F) minimum values for appraisement; or

"(G) arbitrary or fictitious values.

This paragraph shall not apply with respect to the ascertainment, determination, or estimation of foreign market value or United States price under title VII.

Ante, p. 150.

"(g) SPECIAL RULES.—(1) For purposes of this section, the persons specified in any of the following subparagraphs shall be treated as persons who are related:

"(A) Members of the same family, including brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants.

"(B) Any officer or director of an organization and such organization.

"(C) Any officer or director of an organization and an officer or director of another organization, if each such individual is also an officer or director in the other organization.

"(D) Partners.

"(E) Employer and employee.

"(F) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization.

"(G) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

"(2) For purposes of this section, merchandise (including, but not limited to, identical merchandise and similar merchandise) shall be treated as being of the same class or kind as other merchandise if it is within a group or range of merchandise produced by a particular industry or industry sector.

Generally accepted accounting principles.

"(3) For purposes of this section, information that is submitted by an importer, buyer, or producer in regard to the appraisement of merchandise may not be rejected by the customs officer concerned on the basis of the accounting method by which that information was prepared, if the preparation was in accordance with generally accepted accounting principles. The term 'generally accepted accounting principles' refers to any generally recognized consensus or substantial authoritative support regarding—

"(A) which economic resources and obligations should be recorded as assets and liabilities;

"(B) which changes in assets and liabilities should be recorded;

"(C) how the assets and liabilities and changes in them should be measured;

"(D) what information should be disclosed and how it should be disclosed; and

"(E) which financial statements should be prepared.

The applicability of a particular set of generally accepted accounting principles will depend upon the basis on which the value of the merchandise is sought to be established.

"(h) DEFINITIONS.—As used in this section—

"(1)(A) The term 'assist' means any of the following if supplied directly or indirectly, and free of charge or at reduced cost, by the buyer of imported merchandise for use in connection with the production or the sale for export to the United States of the merchandise:

"(i) Materials, components, parts, and similar items incorporated in the imported merchandise.

"(ii) Tools, dies, molds, and similar items used in the production of the imported merchandise.

"(iii) Merchandise consumed in the production of the imported merchandise.

"(iv) Engineering, development, artwork, design work, and plans and sketches that are undertaken elsewhere than in the United States and are necessary for the production of the imported merchandise.

"(B) No service or work to which subparagraph (A)(iv) applies shall be treated as an assist for purposes of this section if such service or work—

"(i) is performed by an individual who is domiciled within the United States;

"(ii) is performed by that individual while he is acting as an employee or agent of the buyer of the imported merchandise; and

"(iii) is incidental to other engineering, development, artwork, design work, or plans or sketches that are undertaken within the United States.

"(C) For purposes of this section, the following apply in determining the value of assists described in subparagraph (A)(iv):

"(i) The value of an assist that is available in the public domain is the cost of obtaining copies of the assist,

"(ii) If the production of an assist occurred in the United States and one or more foreign countries, the value of the assist is the value thereof that is added outside the United States.

"(2) The term 'identical merchandise' means—

"(A) merchandise that is identical in all respects to, and was produced in the same country and by the same person as, the merchandise being appraised; or

"(B) if merchandise meeting the requirements under subparagraph (A) cannot be found (or for purposes of applying subsection (b)(2)(B) (i), regardless of whether merchandise meeting such requirements can be found), merchandise that is identical in all respects to, and was produced in the same country as, but not produced by the same person as, the merchandise being appraised.

Such term does not include merchandise that incorporates or reflects any engineering, development, artwork, design work, or plan or sketch that—

"(I) was supplied free or at reduced cost by the buyer of the merchandise for use in connection with the production or the sale for export to the United States of the merchandise; and

"(II) is not an assist because undertaken within the United States.

"(3) The term 'packing costs' means the cost of all containers and coverings of whatever nature and of packing, whether for labor or materials, used in placing merchandise in condition, packed ready for shipment to the United States.

"(4) The term 'similar merchandise' means—

"(A) merchandise that—

"(i) was produced in the same country and by the same person as the merchandise being appraised,

"(ii) is like the merchandise being appraised in characteristics and component material, and

"(iii) is commercially interchangeable with the merchandise being appraised; or

"(B) if merchandise meeting the requirements under subparagraph (A) cannot be found (or for purposes of applying subsection (b)(2)(B)(i), regardless of whether merchandise meeting such requirements can be found), merchandise that—

"(i) was produced in the same country as, but not produced by the same person as, the merchandise being appraised, and

"(ii) meets the requirement set forth in subparagraph (A)(ii) and (iii).

Such term does not include merchandise that incorporates or reflects any engineering, development, artwork, design work, or plan or sketch that—

"(I) was supplied free or at reduced cost by the buyer of the merchandise for use in connection with the production or the sale for export to the United States of the merchandise; and

"(II) is not an assist because undertaken within the United States.

"(5) The term 'sufficient information', when required under this section for determining—

"(A) any amount—

"(i) added under subsection (b)(1) to the price actually paid or payable,

"(ii) deducted under subsection (d)(3) as profit or general expense or value from further processing, or

"(iii) added under subsection (e)(2) as profit or general expense;

"(B) any difference taken into account for purposes of subsection (b)(2)(C); or

"(C) any adjustment made under subsection (c)(2);

means information that establishes the accuracy of such amount, difference, or adjustment."

(b) REPEAL OF EXISTING ALTERNATIVE VALUATION STANDARDS.—Section 402a of the Tariff Act of 1930 (19 U.S.C. 1402) is repealed.

SEC. 202. CONFORMING AMENDMENTS.

(a) TARIFF ACT OF 1930.—The Tariff Act of 1930 (19 U.S.C. 1202 et seq.) is amended as follows:

(1) Paragraph (2) of section 332(e) is amended to read as follows: 19 USC 1332.

"(2) The term 'import cost' means the transaction value of the imported merchandise determined in accordance with section 402(b) plus, when not included in the transaction value, all necessary expenses, exclusive of customs duties, of bringing such merchandise to the United States."

Ante, p. 194.

19 USC 1336.

(2) Section 336 is amended—

(A) by striking out subsection (b);

(B) by striking out "and in basis of value" in subsection (c);

(C) by striking out "or in basis of value" in each of subsections (d), (f), and (k); and

(D) by striking out subsection (j).

19 USC 1351.

(3) Paragraph (2)(D)(ii) of section 350(a) is amended by striking out "or 402a".

19 USC 1500.

(4) Paragraph (a) of section 500 is amended to read as follows:

"(a) appraise merchandise by ascertaining or estimating the value thereof, under section 402, by all reasonable ways and means in his power, any statement of cost or costs of production in an invoice, affidavit, declaration, other document to the contrary notwithstanding;"

(b) TARIFF SCHEDULES OF THE UNITED STATES.—The Tariff Schedules of the United States (19 U.S.C. 1202) are further amended as follows:

(1) General headnote 6(b)(i) is amended by striking out "or section 402a".

(2) Each of the following headnotes is amended by striking out "or 402a" wherever it appears therein:

(A) Headnote 4 to subpart E of part 3 of schedule 6.

(B) Headnote 1 to subpart B of part 11 of schedule 7.

(C) Headnote 2 to part 1 of schedule 8.

(D) Headnotes 2(a), 2(c), and 3(a) to subpart B of part 1 of schedule 8.

(c) OTHER LAWS.—

(1) TRADE ACT OF 1974.—Section 601(4) of the Trade Act of 1974 (19 U.S.C. 2481(4)) is amended by striking out "(19 U.S.C. sec. 1401a or 1402)" and inserting in lieu thereof "(as in effect before the effective date of the amendments made by title II of the Trade Agreements Act of 1979) or in section 402 of such Act of 1930 (as in effect on the effective date of such title II amendments) whichever is".

26 USC 993.

(2) INTERNAL REVENUE CODE OF 1954.—Paragraph (1) of section 993(c) of the Internal Revenue Code of 1954 is amended by striking out "402a of the Tariff Act of 1930 (19 U.S.C. sec. 1401a or 1402)" and inserting in lieu thereof "of the Tariff Act of 1930 (19 U.S.C. 1401a)".

SEC. 203. PRESIDENTIAL REPORT ON OPERATION OF THE AGREEMENT.

19 USC 1401a note.

As soon as practicable after the close of the 2-year period beginning on the date on which the amendments made by this title (other than section 223(b), relating to certain rubber footwear) take effect, the President shall prepare and submit to Congress a report containing an evaluation of the operation of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade approved under section 2(a) (hereinafter in this subtitle referred to as the "Agreement"), both domestically and internationally, during that period.

Ante, p. 147.

SEC. 204. TRANSITION TO VALUATION STANDARDS UNDER THIS TITLE.

19 USC 1401a note.

(a) EFFECTIVE DATE OF AMENDMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this title (except the amendments made by section 223(b)) shall take effect on—

(A) January 1, 1981, if the Agreement enters into force with respect to the United States by that date; or

(B) if subparagraph (A) does not apply, that date after January 1, 1981, on which the Agreement enters into such force;

and shall apply with respect to merchandise that is exported to the United States on or after whichever of such dates applies.

(2) EARLIER EFFECTIVE DATE UNDER CERTAIN CIRCUMSTANCES.—If the President determines before January 1, 1981, that—

(A) the European Economic Community has accepted the obligations of the Agreement with respect to the United States; and

(B) each of the member states of the European Economic Community has implemented the Agreement under its laws;

the President shall by proclamation announce such determination and the amendments made by this title (except the amendments made by section 223(b)) shall take effect on the date specified in the proclamation (but not before July 1, 1980) and shall apply with respect to merchandise that is exported to the United States on or after such date; except that unless the Agreement enters into force with respect to the United States by January 1, 1981, all provisions of law that were amended by such amendments are revived (as in effect on the day before such amendments took effect) on January 1, 1981, and such provisions—

(i) shall remain in effect until the date on which the Agreement enters into force with respect to the United States (and on such date the amendments made by this title (except the amendments made by section 223(b)) are revived and shall apply with respect to merchandise exported to the United States on or after such date); and

(ii) shall apply with respect to merchandise exported to the United States on or after January 1, 1981, and before the date on which the Agreement enters into such force.

(b) APPLICATION OF OLD LAW VALUATION STANDARDS.—For purposes of the administration of the customs laws, all merchandise (other than merchandise to which subsections (a) and (c) apply) shall be appraised on the same basis, and in the same manner, as if the amendments made by this title had not been enacted.

(c) SPECIAL TREATMENT FOR CERTAIN RUBBER FOOTWEAR.—The amendments made by section 223(b) shall take effect July 1, 1981, or, if later, the date on which the Agreement enters into force with respect to the United States, and shall apply, together with the other amendments made by this title, to rubber footwear exported to the United States on or after such date. For purposes of the administration of the customs laws, all rubber footwear (other than rubber footwear to which the preceding sentence applies) shall be appraised on the same basis, and in the same manner, as if the amendments made by this title had not been enacted.

(d) DEFINITION.—For purposes of this section, the term "rubber footwear" means articles described in item 700.60 of the Tariff Schedules of the United States (as in effect on the day before the day on which the amendments made by section 223(b) take effect). 19 USC 1202.

carriers certificate

To the District Director of Customs: _____ (Date)

_____ (Port of entry)

The undersigned carrier, to whom or upon whose order the articles described below or in the attached document must be released,* hereby certifies that _____ of _____ is the owner or consignee of such articles within the purview of section 484(h), Tariff Act of 1930.

Marks and number of packages	Description and quantity of merchandise—Number and kind of packages	Gross weight in pounds	Foreign port of landing and date of sailing	Bill of lading number

Carrier _____ _____ (Name of carrier)

Voyage No. _____

Arrived _____ (Date) _____ (Agent)

*Under the tariff laws of the United States Customs officers do not deliver the goods to the consignee. The goods are released from Customs custody to or upon the order of the carrier by whom the goods are brought to the port at which they are entered for consumption. When the goods are entered for warehouse, they are released from Customs custody to or upon the order of the proprietor of the warehouse.

Department of the Treasury
U. S. Customs Service
141.32, C.R.

POWER OF ATTORNEY

Check appropriate box
☐ Individual
☐ Partnership
☐ Corporation
☐ Sole Proprietorship

KNOW ALL MEN BY THESE PRESENTS: That _____ (Full Name of person, partnership, or corporation, or sole proprietorship (Identify))

a corporation doing business under the laws of the State of _____ or a _____

doing business as _____ residing at _____

having an office and place of business at _____ hereby constitutes and appoints each of the following persons

_____ (Give full name of each agent designated)

as a true and lawful agent and attorney of the grantor named above for and in the name, place, and stead of said grantor from the date and in Customs District _____ and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal declaration, certificate, bill of lading, or other document required by law or regulation in connection with the importation, transportation, or exportation of any merchandise shipped or consigned by or to said grantor, to perform any act or condition which may be required by law or regulation in connection with such merchandise, to receive any merchandise deliverable to said grantor.

To make endorsements on bills of lading conferring authority to make entry and collect drawback and to make, sign, declare, or swear to any statement, supplemental statement, schedule, supplemental schedule, certificate of delivery, certificate of manufacture, certificate of manufacture and delivery, abstract of manufacturing records, declaration of proprietor on drawback entry, declaration of exporter on drawback entry, or any other affidavit or document which may be required by law or regulation for drawback purposes, regardless of whether such bill of lading, sworn statement, schedule, certificate, abstract, declaration, or other affidavit or document is intended for filing in said district or in any other customs district.

To sign, seal, and deliver for and as the act of said grantor any bond required by law or regulation in connection with the entry or withdrawal of imported merchandise or merchandise exported with or without benefit of drawback, or in connection with the entry, clearance, lading, unlading, or navigation of any vessel or other means of conveyance owned or operated by said grantor, and any and all bonds which may be voluntarily given and accepted under applicable laws and regulations, consignee's and owner's declarations provided for in section 485, Tariff Act of 1930, as amended, or affidavits in connection with the entry of merchandise.

To sign and swear to any document and to perform any act that may be necessary or required by law or regulation in connection with the entering, clearing, lading, unlading, or operation of any vessel or other means of conveyance owned or operated by said grantor.

And generally to transact at the customhouses in said district any and all customs business, including making, signing, and filing of protests under section 514 of the Tariff Act of 1930, in which said grantor is or may be concerned or interested and which may properly be transacted or performed by an agent and attorney giving to said agent and attorney full power and authority to do anything whatever requisite and necessary to be done in the premises as fully as said grantor could do if present and acting, hereby ratifying and confirming all that the said agent and attorney shall lawfully do by virtue of these presents, the foregoing power of attorney to remain in full force and effect until the _____ day of _____ 19___, or until notice of revocation in writing is duly given to and received by the District Director of Customs of the district aforesaid. If the donor of this power of attorney is a partnership, and said the power shall in no case have any force or effect after the expiration of 2 years from the date of its receipt in the office of the district director of customs of the said district.

IN WITNESS WHEREOF, the said _____

has caused these presents to be sealed and signed (Signature) _____

(Capacity) _____ (Date) _____

WITNESS _____

_____ (Corporate seal) *(Optional)

(SEE OVER)

Customs Form 5291 (10-07-80)

INDIVIDUAL OR PARTNERSHIP CERTIFICATION *(Optional) (reverse side of S291)

CITY _____
COUNTY _____ } ss
STATE _____

On this _____ day of _____, 19___, personally appeared before me _____

residing at _____, personally known or sufficiently identified to me, who certifies that _____ (is/are) the individual(s) who executed the foregoing instrument and acknowledge it to be _____ free act and deed.

(Notary Public)

CORPORATE CERTIFICATION *(Optional)

(To be made by an officer other than the one who executes the power of attorney)

I, _____, certify that I am the _____ of _____, organized under the laws of the State of _____ that _____, who signed this power of attorney on behalf of the donor, is the _____ of said corporation, and that said power of attorney was duly signed, sealed, and attested for and behalf of said corporation by authority of its governing body as the same appears in a resolution of the Board of Directors passed at a regular meeting held on the _____ day of _____, now in my possession or custody. I further certify that the resolution is in accordance with the articles of incorporation and bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation, at the City of _____ this _____ day of _____, 19 _____

_____ _____
(Signature) (Date)

If the corporation has no corporate seal, the fact shall be stated, in which case a scroll or adhesive shall appear in the appropriate, designated place.

Customs powers of attorney of residents (including resident corporations) shall be without power of substitution except for the purpose of executing shipper's export declarations. However, a power of attorney executed in favor of a licensed customhouse broker may specify that the power of attorney is granted to the customhouse broker to act through any of its licensed officers or any employee specifically authorized to act for such customhouse broker by power of attorney.

*NOTE The corporate seal may be omitted. Customs does not require completion of a certification. The grantor has the option of executing the certification or omitting it.

Approved through 4/30/87 OMB No. 1515-0144

1. THIS FORM MUST BE TYPED.
2. DO NOT ALTER THIS FORM.
3. ORIGINAL TO BE SUBMITTED TO CUSTOMS. (See Option explained in Instruction no. 2.)

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

CORPORATE SURETY POWER OF ATTORNEY

CUSTOMS USE ONLY
DATE RECEIVED
EFFECTIVE DATE

☐ **GRANT** (Instruction No. 3a.) ☐ **CHANGE** to Grant on file (Instruction No. 3b.) ☐ **REVOCATION.** The below-described powers previously granted are hereby revoked. (Instruction No. 3c.)

GRANTEE: NAME ☐ This is a name change. ADDRESS ☐ This is an address change.

SOCIAL SECURITY NO.

GRANTOR: Surety Company's Corporate Name | Surety No. | State Under Whose laws organized as a surety

District Code(s) for Customs district(s) in which authorized to do business and limit on any single obligation -OR- district(s) being added to the original grant:

District	Limit	District	Limit	District	Limit	District	Limit	District	Limit	District	Limit

Grantor appoints the above-named person (Grantee) as its attorney in fact to sign its name as surety to, and to execute, seal, and acknowledge any bond so as to bind the surety corporation to the same extent as if done by a regularly elected officer, limited only to the extent shown above as to Customs district and amount on any single bond obligation. This grant, or change to a grant on file, or revocation, as specified, shall become active on the effective date shown provided the Customs Form 5297 is received at a district office 5 days before the effective date shown; otherwise the specified action will become active at the close of business 5 working days after the date of receipt at the district office.

In witness whereof, the said Grantor, by virtue of authority conferred by its Board of Directors, has caused these presents to be sealed with its corporate seal and attested by any two principal officers.	Date Attested	Name and Title	Name and Title
	Use a facsimile of corporate seal, and not impression seal.	SIGNATURE:	SIGNATURE:

CUSTOMS FORM 5297 (11/86)

☆ U.S. GOVERNMENT PRINTING OFFICE: 1986 — 491-112/54953

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

ENTRY SUMMARY

Form Approved OMB No. 1515-0066

(1) Entry No.	(2) Entry Type Code	3. Entry Summary Date
4. Entry Date	(5) Port Code	
6. Bond No.	7. Bond Type Code	8. Broker/Importer File No.

9. Ultimate Consignee Name and Address	10. Consignee No.	(11) Importer of Record Name and Address	(12) Importer No.
State			

(13) Exporting Country	14. Export Date
(15) Country of Origin	16. Missing Documents
(17) I.T. No.	(18) I.T. Date

(19) B/L or AWB No.	20. Mode of Transportation	21. Manufacturer I.D.	22. Reference No.
(23) Importing Carrier	24. Foreign Port of Lading	25. Location of Goods/G.O. No.	
26. U.S. Port of Unlading	(27) Import Date		

(28) Line No.	(29) Description of Merchandise: (30) (A) T.S.U.S.A. No. / (B) ADA/CVD Case No.	(31) (A) Gross Weight / (B) Manifest Qty.	(32) Net Quantity in T.S.U.S.A. Units	(33) (A) Entered Value / (B) CHGS / (C) Relationship	34 (A) T.S.U.S.A. Rate / (B) ADA/CVD Rate / (C) I.R.C. Rate / (D) Visa No.	(35) Duty and I.R. Tax: Dollars	Cents

(36) Declaration of Importer of Record (Owner or Purchaser) or Authorized Agent

I declare that I am the importer of record and that the actual owner, purchaser, or consignee for customs purposes is as shown above.

OR ☐ owner or purchaser, or agent thereof

I further declare that the merchandise was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoice are true.

OR ☐ was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoice as to value or price are true to the best of my knowledge and belief

I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate customs officer any information showing a different state of facts.

Notice required by Paperwork Reduction Act of 1980: This information is needed to ensure that importers/exporters are complying with U.S. customs laws, to allow us to compute and collect the right amount of money, to enforce other agency requirements, and to collect accurate statistical information on imports. Your response is mandatory.

U.S. CUSTOMS USE		TOTALS	
A. Liq. Code	B. Ascertained Duty	(37) Duty	
	C. Ascertained Tax	(38) Tax	
	D. Ascertained Other	(39) Other	
	E. Ascertained Total	(40) Total	

(41) Signature of Declarant, Title, and Date

PART 1 — RECORD COPY

Customs Form 7501 (030984)

Customs Publication No. 504